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West Europe Report

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27 FEBRUARY 1987

WEST EUROPE REPORT

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SCHLUTER, JORGENSEN ON ELECTIONS, FISCAL ISSUES, SF TIES

Copenhagen AKTUELT in Danish 21 Dec 86 pp 12-13

[Interview with Prime Minister Poul Schluter and Social Democratic Party Chairman Anker Jorgensen by 'Grimme'; date and place not given]

[Text] [Question] How do you think the contract negotiations will go?

[Poul Schluter] To be honest, no one can say for sure how they will turn out. But I hope the two sides will solve the problems themselves. Folketing intervention should be an exception. At least it should not happen twice in a row unless it is absolutely necessary. Society--everyone--is best served if the two sides can reach an agreement on their own. I did not enjoy having to introduce legislative intervention the last time.

[Anker Jorgensen] I am hoping for the same thing. And I would like to take this opportunity to tell the prime minister that this time he simply must keep his hands off. Otherwise things will not go quietly. But I would like to repeat that I hope the two sides find a solution--and I believe they will. The demand concerning working hours is extremely important.

[Question] Could the coming contract negotiations lead to an election?

[Schluter] People should certainly not count on it.

[Jorgensen] That is something the prime minister will have to decide.

SF Cooperation

It is the Christmas season again. Mulled wine is part of the Christmas festivities. And a mulled wine meeting between the nation's prime minister and the leader of the opposition is also part of the Christmas season. It is a 20-year-old tradition that these two top politicians meet at the invitation of the Sunday edition of AKTUELT for a political talk that is both uncere-
monious and serious. And once again it is Poul Schluter and Anker Jorgensen who have the opportunity to exchange opinions--and tease each other.

[Question] The Socialist People's Party [SF] is the party that has made the greatest progress since the last election. What is your evaluation of the party?

[Jorgensen] It is a party that is developing in an increasingly more realistic direction. On 9 out of 10 issues SF is in line with the Social Democrats in principle--and sometimes also in reality. Actually it is strange that SF has won so much success by copying the Social Democrats. After saying that I would like to stress that I trust my own party more when it comes to pursuing Social Democratic policies. But cooperation with SF is a possibility.

[Schluter] It is unusual in Denmark to have a party to the left of the Social Democrats that is so large.

However I think it is only a question of time how long it lasts. In the long run I believe a large part of SF's present "Gallup supporters" will return to the Social Democratic Party. SF may have become somewhat more capable than it was a few years ago as far as work is concerned, but most voters to the left of center will discover that the Social Democratic Party is the best place if they want their votes to be transformed into political influence. I say this as an observer from my own side of the middle line in an attempt to provide an objective assessment. I do not believe the current fad of supporting SF will last over a period of many years.

[Jorgensen] That is correct, it is unusual to have such a big party to the left of the Social Democrats. And it is entirely at the expense of the Social Democratic Party. It seldom increases our combined strength. But we have experienced this before. In 1945-47 the Communists were just as strong. We overcame that. I would also like to point out that in recent years we have experienced a similar phenomenon on the right side of Folketing. Namely the Progressive Party, a party that is if possible more reactionary than Schluter and his party and one that has had enormous influence over the nonsocialist parties.

[Schluter] The parallel is not without interest.

[Jorgensen] I would not directly equate the quality of SF and the Progressive Party, but in terms of strength a parallel can be drawn.

Shortcoming of Politicians

[Question] You both participate in making many decisions and thus you cannot avoid making fools of yourselves once in a while.

[Jorgensen, Schluter] We protest.

[Jorgensen] What is the editor leading up to?

[Schluter] That is a primitive way of putting a question.

[Jorgensen] If I were in charge her, I would fire him.

[Question] What I wanted to ask is whether you are afraid to admit mistakes you have made.

[Schluter] That is probably a classic shortcoming on the part of politicians, being unwilling to admit that they have changed their minds. It is refreshing when a politician says: "Two years ago I said such and such and that was my sincere and honest opinion, but since then things have happened that have led me to change my mind." The reason why politicians are often reluctant to admit that they have changed their minds or have made a serious error has something to do with the fact that they know that the daily press--or at least part of it--is ruthless. And perhaps that is the way it should be.

[Jorgensen] It is good to hear Schluter admit that he can make mistakes. I am thinking of the introduction of a waiting period for benefits, for example. Now that the election is approaching he has become more reasonable. Or has he just become "wiser" because a Folketing majority against him was building up? Well, let's leave it at that. Schluter is right that we should become politically wiser as time goes by and we have the benefit of more experience. But on the other hand some say that people become more obstinate as we get older. Is that true of you, Schluter?

[Schluter] I think most of us become less obstinate as we get older. When we are very young we are very concerned with the so-called pure ideologies. We support with burning enthusiasm the spiritually inspiring people we believe in. But with added years we become--at least I hope we do--a little more tolerant, a little more self-critical and analytical. And more interested in listening to the opinions of our opponents.

Changes Necessary

[Question] As prime minister have you ever gone too far when it comes to being lenient with a cabinet minister?

[Jorgensen] In everything that involves human cooperation there must be a certain amount of tolerance--or leniency. But once in a while it is necessary to assert oneself. Especially if it involves something that can throw an unfavorable light on a government--I am thinking of something in the direction of misconduct.

[Question] Are there ministers you regret not having dismissed?

[Schluter] As prime minister one has a kind of responsibility for naming the other members of the government. One is the first among equals. There can be situations where a change is necessary but one also has a responsibility for not treating a minister too harshly. There is nothing harder than saying goodbye to a minister one has enjoyed working with. It is always hard to say goodbye.

[Jorgensen] I have sometimes been asked if I regretted dismissing a minister. I admit that it can seem harsh, but the party I belong to cannot condone something that can only be interpreted as "cronyism."

[Question] There is an old Chinese saying that it is the things one has not done that one regrets.

[Jorgensen] I have a suggestion about who Schluter should get rid of.

[Schluter] It is undoubtedly a very long list with my name at the top!

[Jorgensen] Yes, I always begin in the right place.

World's Heaviest Tax Burden

[Question] Is it reasonable that we now have a tax law that 99 percent of the people do not understand at all?

[Schluter] We have all received new tax forms that are actually more complicated than the old ones. How well did we understand how our tax rate was calculated in the past? We found out about it as we went along, as we became familiar with the system, and that is how it will be with the new system too. Tax legislation is complicated in our complex society. But the important thing is that we try to be as fair as we possibly can.

[Jorgensen] I do not think we can have a tax reform that will not be immediately criticized from twenty different angles. Among other things because taxation is unpopular per se. It will always be possible to pull out examples of things that should be corrected, but I still think this is a fairly good tax reform. No tax reform is perfect. The one we are talking about here isn't perfect either. But it is cohesive and to a large extent it is designed according to principles we support.

[Schluter] Many people are dissatisfied with the amount of their tax bill. I would therefore like to emphasize that we have precisely the tax burden that is necessary in Denmark to meet the spending level we have. We hear many people say that taxes are too high. But we also hear many people say that public services are not good enough. Thus there are two sides to this question.

[Jorgensen] I think we are seeing an unfortunate development. We have the biggest tax burden Denmark has ever had--the heaviest in the entire world, incidentally. I have nothing against that in principle. But things are becoming more and more distorted because those who have a lot acquire more, while those who have little get less.

[Schluter] Here we disagree. I think our tax burden is too heavy from an ideal standpoint. I believe we should work to lower this tax burden. There should be a good supply of services and social security provisions and that means a heavy tax burden, but we should screw things down a couple of notches and we will do this the day we have made a substantial reduction in the very large state debt.

[Jorgensen] It is a fact that foreign debt has risen steadily in spite of the increased tax burden. Instead of going down it has almost doubled in size. I think Schluter is now falling back on old Conservative arguments.

Natural Size

[Question] What do you expect to happen in 1987?

[Jorgensen] A change in government.

[Schluter] I do not think there will be a government change in 1987.

[Question] Will we have an election next year?

[Schluter] As everyone knows an election is scheduled for a year from now.

[Jorgensen] I think there will be an election during the first 6 months of the year.

[Schluter] I do not expect an election before the end of the 4-year election period, but of course one can never be entirely certain. The government is planning to make use of the entire period and I think that would also be the best thing for the country.

[Question] If you could make some kind of wish for each other's party, what would it be?

[Schluter] I would wish that the Social Democrats could resemble the Conservatives more--but that is probably too much to ask, it is contrary to nature.

[Jorgensen] It is my not too pious hope that the Conservatives will be reduced to their natural size and that means going back to the time when they had the support of around 5 percent of the voters!

[Schluter] In my opinion we are now on our way toward our natural size for the first time, but of course that is a matter of taste.

Merry Christmas!

[Question] Which of you will be prime minister when we meet a year from now for a glass of mulled wine?

[Schluter] When we meet to drink wine next time we will probably be in the middle of an intense political discussion about who will be prime minister.

[Jorgensen] Next time we meet for mulled wine I think it will be time to drink a toast with Schluter and thank him for being ready to be replaced.

That was the end of the official part of the wine session. Schluter and Anker Jorgensen agreed that a number of serious topics have not even been mentioned in this conversation.

They also agreed that it was the fault of the interviewer that there was no mention of such things as the economy, social problems, the environment and defense issues.

And Schluter and Anker Jorgensen were in accord on wishing each other a merry Christmas!

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CSO: 3613/39

PROGRESSIVES' SHIFT OF SUPPORT TO LIBERALS COMPLICATES SCENE

Copenhagen AKTUELT in Danish 19 Dec 86 p 7

[Article by Jens J. Krogh: "New Signals From Progressive Party"]

[Text] Copenhagen--The Progressive Party's resentment of and resistance to the nonsocialist government and Prime Minister Poul Schluter are now so great that the party will nominate someone besides Poul Schluter as prime minister after the next Folketing election.

During the budget debate yesterday, Progressive Party [FRP] spokesperson Pia Kjaersgaard said it was extremely probable that FRP would turn to the Liberal Party when looking for a prime minister after an election. In this context she mentioned Niels Anker Kofoed, Svend Heiselberg and Anders Fogh Rasmussen as good nonsocialist politicians.

The new statements provide the prospect of an even more exciting Folketing election in 1987.

For several years the government parties plus the Radical Liberals have never had majority support in the opinion polls. If there is no clear winner after the election, it will probably be a minority that nominates Poul Schluter as prime minister. Anker Jorgensen could become prime minister--even if there is not a red majority. That would happen if the Social Democrats and the Socialist People's Party win more support than the present government parties and the Radical Liberals combined.

But there are several unknown factors in the equation. Arne Bjerregaard of the Christian People's Party has clearly challenged the present government cooperation, so it is unlikely that he will favor Poul Schluter in the event that the Christian People's Party continues to cooperate with the Conservatives.

The reason for the Progressives' dissatisfaction with Poul Schluter, according to Pia Kjaersgaard, is the Conservatives' strong-arm methods with regard to the Easter package, the "potato cure," the tax burden, border trade, etc.

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KOIVISTO INTERVIEW IN PRAVDA LAUDS REYKJAVIK ACHIEVEMENTS

Helsinki HELSINGIN SANOMAT in Finnish 4 Nov 86 p 8

[Text] President Mauno Koivisto says that, surprisingly, very significant progress was achieved in the summit of the leaders of the superpowers in Reykjavik in October.

Koivisto expresses his views in an interview with PRAVDA, the leading CPSU newspaper which came out on Monday. Koivisto's interview was printed on the pages of the foreign countries section under the headline "Mankind Hopes for Elimination of Nuclear Weapons".

"Even though the mutual understanding remained short of the final approval, important and far-reaching results were achieved," Koivisto said in the interview.

According to Koivisto, the meeting between Mikhail Gorbatshev and Ronald Reagan removed obstacles from the way of the nuclear disarmament, even to the extent that the progress, now reached in principle, has been considered "the most significant since the 1940's when the era of nuclear weapons began." Koivisto thought that the negotiations in Reykjavik moved the international dialogue on disarmament to a completely new phase. "There is no return to the period preceding Reykjavik," said Koivisto in the interview with PRAVDA. Koivisto also evaluated the Soviet Union's one-sided restraint from nuclear tests. According to Koivisto, the question of complete nuclear test ban is a central issue from the point of view of stopping the arms race.

Koivisto said that, for over 20 years, the government of Finland has promoted the issue of confirming a nuclear-free zone in the Nordic countries with agreements. According to him, the actual nuclear-free zone in the Nordic countries has had a central effect in contributing to keeping the situation of Northern Europe stable and calm.

"We believe that such an arrangement of agreements would contribute to further strengthening of peace and security," Koivisto said.

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MINI-CSCE SUPPORTS PRESIDENT KOIVISTO'S SEA INITIATIVE

Helsinki HELSINGIN SANOMAT in Finnish 4 Nov 86 p 8

[Text] The Liberal Parties of West Europe, the Center Parties of the Nordic countries and the Agrarian Parties of the socialist countries support President Mauno Koivisto's initiative to pacify the marine areas.

In mid-October, Koivisto said at Paasikivi Association that, specifically in the North Atlantic and in the Arctic Sea, actions to increase trust would be beneficial to all parties concerned.

"We should try to support restraint in initiating maritime and invasion exercises and, in the end, try to restrain naval armament," Koivisto proposed. The parties expressed their support for the initiative of President Koivisto in the Mini-CSCE, which ended in Espoo on Monday. The Espoo conference was the first international meeting to give its support to Koivisto's initiative. 25 parties from 17 European countries participated in the conference.

The meeting unanimously approved of the declaration appealing to the United States and the Soviet Union. The meeting felt that the superpowers should make an agreement concerning nuclear and space weapons, based on what was agreed in Reykjavik. The number of nuclear weapons should be significantly reduced, nuclear tests should be banned and the expansion of the arms race in space should be prevented.

The meeting also appealed to the participants of the follow-up meeting in Vienna, which will begin on Tuesday. In addition to the marine issues, actual disarmament issues should be placed on the agenda of the meeting in Vienna.

The participants of the Mini-CSCE also proposed that the Vienna meeting call together a meeting of experts dealing with environmental issues. Scientists and representatives of the administration would participate in it.

Vayrynen Praised Conference

Paavo Vayrynen, Center Party chairman, who chaired the two-day conference, was very pleased with the results of the conference. This was the third time a Mini-CSCE was organized. The previous conferences had been held in 1976 and

1983. The hosts were the Center Party, the Swedish People's Party and the Liberal Party.

Vayrynen compared the conference to the work of the Socialist International, parent organization of the Social Democratic parties. Vayrynen thought that the Mini-CSCE is the most wide-based forum in which Finnish political parties participate.

Vayrynen particularly emphasized the wide ideological basis of the conference. On Sunday, the opening speaker was a representative of CPSU, Lev Tolkunov, the chairman of the league council advisory board of the highest council. The speaker for the United States was Paul Hacker, Counsellor of the Embassy in Helsinki.

Vayrynen was sorry that the representative of the Democratic Party of the United States was unable to attend the conference. Also the delegations of the West European Liberal Parties were represented at a secretarial level. Due to coincidences. the party leaders were not able to attend.

On Monday Lev Tolkunov continued his visit in a new role. The host of Tolkunov, the chairman of the CSCE Committee of the Soviet Union, is now Finland's committee for promoting security in Europe.

On Monday Tolkunov met, in his new capacity, Foreign Minister Paavo Vayrynen. On Tuesday he will meet Prime Minister Kalevi Sorsa (social-democrat) and on Wednesday Erkki Pystynen (conservative), Speaker of the Parliament.

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OPEN LETTER FROM CP CHAIRMAN AALTO TO SDP CHAIRMAN SORSA

Helsinki KANSAN UUTiset in Finnish 29 Oct 86 p 6

[Article: "Open Letter from Arvo Aalto to Kalevi Sorsa: Now We Must Offer Strong Leftist Policy"]

[Text] In his open letter to Kalevi Sorsa, chairman of SDP [Finnish Social Democratic Party], Arvo Aalto, chairman of CP [Finnish Communist Party], emphasizes that "a strong, democratic, leftist policy must be offered against the hard, rightist social policy."

Aalto also says that cabinet cooperation with the Conservative Party does not contribute to reaching the goals. According to him, it would be best to operate so that even if SDP and SKDL [Finnish People's Democratic League] run the presidential election campaigns with their own candidates and electors, the left wing will join together to try to guarantee the election of the most successful candidate.

We publish Aalto's open letter in its entirety:

"Dear Comrade

The old custom of conducting a political discussion in the form of open letters has recently been revived. I, too, am resorting to this option, to supplement our other means of communication.

Recently, the political discussion has focused on two issues: the presidential elections, to be held in well over a year, and, on the other hand, on anticipating the cabinet coalition, which will be decided after the parliamentary elections, which will be held in five months.

To begin with, I will say that we, Communists, are directing our efforts toward the current campaign for the parliamentary elections. It is our aim to make that election the starting point for changing the rightwing policy which has been rather prevalent in Finland. Lately, you have frequently paid attention to the foundations of the future cabinet, from what I consider quite a tactical perspective.

I believe that the main thing, after all, is the content and the direction of the policies. The current course is strongly toward rightwing policies. That ought to be changed.

You yourself have been ready to admit that the cabinet has not succeeded in reducing unemployment. The unemployment situation threatens to become even worse.

Another worrisome aspect, from the point of view of the working class movement, has been the strong growth of the share and the power of capital in the economy. Within the past ten years, corporations have been granted so many different reliefs from wage and salary expenditures, taxes and social security expenses that we can estimate their benefits this year to be about 18 billion markkas. In the additional budget, an additional benefit of one billion will be added.

It is the significant change in the income proportions favoring corporations which has made possible the grey money markets of billions of markkas at excessive interest, the accumulation of wealth and economic power and the accelerating rate of investments abroad. The real competitive ability of the Finnish corporations has not improved essentially, and funds have hardly been invested in projects creating new jobs.

I would not like to believe that the continuation of such policy would be the goal of SDP. Unlike what you have said in public, at least we really want a change in the direction of economic policy.

The development in the area of economy has promoted similar development elsewhere in society. Rightwing policy has been strengthened. Indifference toward our fellow-citizens who are not well-off or are suffering has spread. Society is harder and more cruel, penetrated by selfishness. The total consequences of this development have not been experienced yet.

You have publicly expressed your concern about the increase of violence, for example. This phenomenon is associated with other social development. One could continue a realistic description of the development of society, addressing several negative phenomena. However, it is more important to think about the possibility and the direction of the change. The political power game about the future cabinet base has not touched upon the most important issues of politics and the future of Finland. One of them, in my opinion, is changing the economic policy. Patronizing the capital, banks, large corporations and the richest should absolutely be stopped. Couldn't the labor movement, from this starting point, approach the future political decisions together?

Now we have to get to work to reduce unemployment, to make taxation more just than it is currently and to make life easier for those who are now in the worst situation. Strong, democratic, leftist policy must be offered against the hard, rightist social policy.

In the oncoming cabinet discussion we will aim, above all, at implementing these goals. Cooperation in the cabinet with the Conservatives does not contribute to reaching our goals. At the same time, it is true that, in

several issues, the Center Party is at least as rightist as the right Conservative Party itself. But in spite of this, it can really not be concluded that this would be the time for the leftist parties to discuss cooperation in the cabinet with the Conservatives.

I believe it would be necessary, in order to balance the rightist direction, that the Communists and the People's Democrats as well as the Social Democrats would now discuss the changing of the direction of politics and make a joint effort towards this goal. I believe that at the same time we could agree that even if SDP and SKDL would enter the presidential elections with their own candidates and electoral lists, the leftwing will jointly try to guarantee the election of the most successful candidate.

With cooperative regards

Arvo Aalto"

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CSO: 3617/21

CP CHAIRMAN AALTO PREDICTS OPPOSITION TO SKDL

Helsinki HELSINGIN SANOMAT in Finnish 4 Nov 86 pp 3, 8

[Article: "Aalto: CPSU and SKP Preparing Reconciliation Meeting"]

[Text] The relations between SKP [Finnish Communist Party] and CPSU, which have long remained cool, will be officially restored to normal in a high-level party meeting.

SKP's Chairman Arvo Aalto says in an interview with HELSINGIN SANOMAT that the tension caused by the internal conflicts in SKP has been passed and that fraternal party relations have been re-established.

"In the cooperative program of the parties, meetings between political delegations have been agreed upon and nothing indicates that this part of the program would not be implemented," says Aalto.

According to preliminary plans, the delegations of SKP and CPSU will meet in the first months of next year if not before. The exact date, place and the CPSU representation are still open.

Traditionally, the party meetings between CPSU and SKP have been arranged on a high level, says Aalto. High level means that SKP would like to see a Politburo member leading the CPSU delegation.

[Article and interview by Kyosti Karvonen: "Aalto Predicts Opposition to SKDL. SKP Chairman Blames the Red Soil Base (Socialist-Agrarian) for Rejecting its Principles"]

[Text] Arvo Aalto, chairman of the SKP [Finnish Communist Party], SKDL's [Finnish People's Democratic League] largest member organization, predicts that SKDL, now in opposition, will not be included in the cabinet after the elections, either, and last of all in conjunction with the Conservative Party. Ilkka Suominen, Conservative Party chairman, has already been tearing apart the quilt planned by Prime Minister Kalevi Sorsa, chairman of SDP [Finnish Social Democratic Party]; pieces in the quilt would have been occupied by the Conservatives and the entire left wing. Aalto completes Suominen's work.

"There is nothing in our endeavors which would make us approach the Conservatives. It is indisputably the most genuine representative of corporations and privileged people, now and after the elections as well. If the road to the cabinet will open for the Conservatives, its effect on politics will be exactly the opposite of ours," says Aalto curtly. Some other leaders of the extreme leftwing have not been quite as unambiguously opposing the Conservatives.

[Question] Does that make Esko Vainionpaa, Aarne Saarinen and Ele Alenius stubborn dissidents?

[Answer] "I was thinking that it would a strange interview if this question would not come up. There are no grounds for the attempt to build an antithesis. We drove out the brawlers from our ranks so that the leaders and the members could genuinely think aloud and disagree. It is natural that different types of opinions are expressed," Aalto brushes the question aside.

Color of the Red Soil Base Has Changed

Except for Sorsa's knocking, the political suitors have left SKDL/SKP in peace while looking for a partner in the cabinet. The old people's front, hankered for by the People's Democrats, will not do as a leading star for anybody but themselves.

"Of course we are ready for the cabinet if we agree on the content of the policies. In today's situation it does not seem realistic. If the situation is like this after the parliamentary elections, it is not realistic then either. But this will be answered in the elections."

In Aalto's eyes, even the current Red Soil Base of SDP and the Center Party has changed its color and has become darker.

"The Red Soil Base, as it is now, has rejected its fundamental principles in several areas. Even though its form is a Red Soil-based cabinet, particularly its economic policy is clearly more rightwing than the policies that would be derived from the nature and traditions of SDP and the Center Party."

Aalto accuses the Center Party, lead by Paavo Vayrynen, Minister of Foreign Affairs, of being more conservative than the Conservatives themselves.

"Theoretically it is possible that the Center Party could return to its role in the center. But currently its actions are dominated by the idea that the fear of the Conservatives is the beginning of wisdom," quips Aalto. Aalto accuses the current cabinet of feeding billions of markkas to corporations, which have only slightly improved their competitive ability and mainly sunk into the markets of grey money, raised interest rates, centralized capital and vanished to foreign countries.

Against their wish, the People's Democrats have to observe the dealing of the cards in the cabinet game as kibitzers. Their only reasonable ace is associated with the presidential elections. Since there is nothing better, they are already trying to thrust it upon SDP.

We will see if it will be accepted.

Support for Koivisto

[Question] Is the offer of cooperation in presidential elections to be taken seriously?

[Answer] "Mauno Koivisto was elected president with the support of SKDL as well. If the choice next time is between Koivisto, Vayrynen and Harri Holkeri, we will support Koivisto. Negotiations or maneuvers are not needed for that. This does not preclude SKDL from offering its own alternative."

Officially, the question of the president may arise in SKDL at the meeting of the league council next November. But if SDP does not make any decisions in its party council within the next few weeks, SKDL will let Governor Kalevi Kivisto (People's Democrat) be in peace.

"In the basic issues of foreign policy, Koivisto has not disappointed us even though he could often be considerably more active. We hope that, in the issues of Soviet trade, he would look for solutions with Kekkonen's decisiveness; they would guarantee the continuation of the trade on a higher level than where the cabinet tries to lower it," says Aalto.

Aalto does not want to enter the territory of the minority communists swinging a foreign policy marking hammer above the head of any one of the presidential candidates--he probably could not even afford to do it.

"There is no need to start building a dramatic antithesis about it," says Aalto but, nevertheless, he wonders about the foreign trade statements made by Vayrynen and Holkeri.

However, attempts have been made to mark the majority communists, lead by Aalto, as unsuitable in foreign policy issues; their relations with the Soviets have been erratic for the past couple of years, due to the internal conflicts of SKP.

Gorbachev-like action has gradually brought light into the night of the majority communists.

Normalization on High Level

[Question] What is the state of the relations between CPSU and SKP?

[Answer] "The tension brought about by the internal reorganization of SKP is over. From that we have returned to the relations of fraternal parties, which are characterized by versatile cooperation."

[Question] Will the relations be normalized also officially?

[Answer] "The meeting of political delegations has been agreed on in the program of party cooperation and nothing indicates that this would not be implemented."

[Question] At what level?

[Answer] "It has been a tradition that when the leadership of CPSU and SKP have met, it has taken place at a high level," Aalto says. He points out that a CPSU representative present in all meetings of the party leadership has been from the Politburo level.

[Question] What is the reason for the warming up of the relations?

[Answer] "The decisions concerning fraternal party relations made last year in the 27th CPSU party convention were very important. They also correspond to the views of SKP. It is the practice of the Communist Parties that the policies are made in the party conventions; after the conventions the main issue is not to see how the policies relate to previous practice but how they are implemented after the convention."

According to Aalto, the relations between SKP and the Communist Party of China are being revived, due to the "particularly significant re-evaluations" made by the Chinese party, says Aalto.

Electoral Candidates to Be Placed in the Hands of Democracy

In the elections in March the parliamentary candidates of SKDL as well as those of the Democratic Alternative, the minority communist party, will be in the hands of membership democracy. For the first time after a long period, the supporters can vote as they like. They can thank the dissolution of the party for that. Up until now, efforts have been made to concentrate the votes on the top candidates.

[Question] Are the People's Democrats in Helsinki allowed to vote also for others than Arvo Aalto?

[Answer] "Comrades have been wondering if the rollers will be started for Aalto. They will not."

However, normal indoctrination is allowed, but old-time concentrated lists will no more be made. However, the alphabet will guarantee that Aalto's name will be the first on the SKDL list in Helsinki.

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CSO: 3617/021

POLITICAL

GREECE

FORMER KGB OFFICIALS SAID TO ATTEND FORTHCOMING ETHNOS SUIT

Athens EMBISTEVTIKO GRAMMA in Greek 8 Jan 87 p 7

/Text/ A British court has irrevocably set 9 February 1987 as the date for the trial of the Greek newspaper ETHNOS involving the well-known British journal THE ECONOMIST. Also, following a request by THE ECONOMIST, Mr G. Bombolas, publisher of ETHNOS, was obligated to deposit a 20-million drachmas security with regard to his presence at the trial.

It should be noted that two trials will take place. The first relates to a charge by the British journal against the Greek newspaper. In the first case, ETHNOS made charges against the British journal because it alleged that Mr Bombolas' newspaper was being financed to an amount of 1.8 million dollars by the Soviets. THE ECONOMIST, however, made countercharges against ETHNOS when the latter wrote that the British journal was a CIA showcase.

Up to now the above-mentioned trials have been put off four times following requests by ETHNOS. On 9 February, however, no other postponement will be granted. For that reason many foreign newspapers and television networks are trying to obtain permission to cover the trial that is considered to be an unusually important one. This is so because this will be the first time that a trial will be held on a international level with the subject being Soviet penetration of the western press and disinformation methods used by the USSR.

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CSO: 3521/59

PASOK POLITICAL FIELD SEEN INCREASINGLY RESTRICTED

Athens EMBISTEVTIKO GRAMMA in Greek 28 Jan 87 p 8

/Analysis: "Who is the Best in Making Surprises?"

/Text/ The new political scene that has gradually evolved over the past year has not yet been perceived by most political analysts. We have thus recently observed, especially after the discussions on defense and the bases, that there is some confusion in the discussions regarding the prospects and capabilities of both the government and government opposition.

As far as the government is concerned, the prospects for maneuver that will associate some spectacular movement (similar to that of March 1985) with a "suitable" electoral law are now being intensively discussed. Nevertheless, the scene has radically changed today for the following reasons: PASOK's electoral point of departure is much lower than in 1985, while margins from the Left are negligible and votes required many more than in the past. Also, the margins for "vote buying" through financial grants have been greatly restricted. The feelings of failure, ideological retreat and the virtual blunting of the "divisionary line" have brought the government party to a defense position from the standpoint of political arguments, contrary to what happened in 1985. PASOK's influence in the trade union field, the dynamism of its party machinery and its absolute dominance in the press have all been dashed with no great hopes for recovery. The political credibility of the party and the personal magnetism of Mr A. Papandreou are at a low point and no spectacular improvement is in store for the future.

Similarly unsuccessful are the discussions that relate to the major government opposition party that is not moving "to overthrow PASOK." In reality, the government cannot nor is it about to fall from any ND attack whatsoever. The most probable is that a direct frontal attack will strengthen it, rallying to its side political and social forces that it covers.

The government opposition has not yet collected all of its potential political benefits from the up-to-now acknowledged PASOK government's failures. Normal damage to the government will continue for the next 2 years, the political cost of the tight economic policy is still at its halfway point, while the government's weakness has not yet been perceived by large segments of the agricultural population. Specifically, the latter is always far behind the urban population but when it does move it moves much more en masse.

Finally, the notorious political developments which we are accustomed to seek with scenarios and maneuvers will be judged much more than real facts. In other words, the government's performance and its hope for the better (or lesser evil). Just as life itself proves, the voters are the best of all with regard to surprises.

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CSO: 35 1/70

PASOK PERSONALITIES LIKELY TO SUCCEED PAPANDREOU

Athens ENA in Greek 1 Jan 87 p 13

/Report by E.A. Papageorgiou/

/Excerpts/ Those in PASOK aspiring to the position of prime minister are not visible but they are easily spotted.

No attempt to undermine Mr Papandreou has been found in PASOK primarily despite the fact that a few party officials are strongly criticizing him.

A few party officials have separated themselves to a large extent from the course of the government party. Perhaps a few of them are aiming at succeeding Mr Papandreou in the party's and government's leadership at the appropriate moment. From all available information, when such an instance were to occur would be decided by the present prime minister himself.

This evaluation is strengthened by the conviction that no one up to now has put forward, in any manner whatsoever, ambitions for a leadership role or has shown zeal in moving up to the party leadership chair. On the contrary, all are being careful not to expose themselves to misunderstandings for their unacknowledged views.

At any rate, those who would have legitimate ambitions to succeed Mr Papandreou at the appropriate moment are Messrs G. Gennimatas, M. Koutsogiorgas and A. Tsokhatzopoulos. They have been very close to their leader for many years now and they very well understand the "logic" with which he acts.

For any one of these men to move up to the party leadership position he must be accepted by the majority of the party members and have the approval of the party congress.

There is, however, yet another "ambitious" element, this one involving Mr Alevras who possesses many factors that make him the almost exclusive confidant of Mr Papandreou in all serious political and party matters.

There are many PASOK deputies who have often thought of the current president of the Chamber of Deputies as the best successor to Mr Papandreou. However, as is natural, deputy preferences do not suffice for the selection of any official whatsoever to the party leadership because congress procedures intervene.

On the other hand, much has been said about the prime minister's designs in getting to the presidency of the republic but no one has ever determined when such a thing would occur. And possibly not even the interested person himself is not in a position to say as of now.

At any rate, according to statements put out, Mr Papandreou does not intend, at least not up to the next elections, to resign from his position as PASOK leader. Thus, practically-speaking, the rest is reduced to conjecture about the future with regard to whatever Mr Papandreou has in mind about seeking claim to the presidency of the republic.

In conclusion, even if there were those who urgently lay claim to the position of prime minister, they could do nothing whatsoever since Mr Papandreou remains in his present position that is not contested even by his son, Deputy Minister of Culture G. Papandreou. When asked at a recent press conference about his ambition to succeed his father, he said, "Neither do I believe it nor do I seek it because it is not a matter of a connection of the name Papandreou or anyone else's but a continuation of some ideas, some policy and also some organization that would express this policy and in this I am under a vow just as all party members are."

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CSO: 3521/69

POLL FINDS MEASURED OPTIMISM ON POLITICAL, ECONOMIC AFFAIRS

Athens TAKHYDROMOS in Greek 8 Jan 87 pp 16-17

/Report by Giorgos Zotos/

/Text/ The smile of optimism is somewhere mixed with the grimace of pessimism, something that "discolors" the picture. The Greek people appear to welcome 1987 with feelings of optimism in gradually winning back lost ground but also with many --and strong-- doubts and concerns. A handful of people who, in the past, still had --besides pride and self-respect-- laughter and optimism as part of their nature.

Now, the super-optimism of 1981 and 1982 no longer flutters in the heart of the Greek people. There is simply a sort of repressed optimism, as much allowed by inflation, taxation, the economic austerity policy and fears of a world conflagration that are continually growing.

This is the message for 1987, in other words the year when the Greek people will have to stay on the narrow path.

What do the Greek people think of the new year and how do they look upon 1986 in comparison to past years?

Over three in 10 Greeks (36 percent) believe that the new year will be better than last year. Nevertheless, almost the same percentage or a bit more (37 percent) believe exactly the opposite, i.e. that 1987 will be worse than 1986. Two in 10 (17 percent) are of the opinion that the new year will contain "the same stuff" as last year, while one in 10 (10 percent) avoided giving an answer.

Four in 10 Greeks (38 percent) find that 1986 was not better for the finances of their households. On the other hand, three in 10 (30 percent) think that things were better with regard to their household budget, while the other three (32 percent) believe that nothing changed in 1986 in comparison with previous years.

Almost half (48 percent) of the Greek people are of the opinion that the country's economic situation in 1986 was more or less worse than in 1985. The percentage of those who disagree and who believe that the country's economy was better was 26, i.e. not even three in 10. The other two in 10 (22 percent) found that nothing changed in 1986.

There are very few who believe that problems being faced by the working class will be decisively settled in 1987 so that strikes and other types of clashes will stop. Only one in 10 (13 percent) believes this. On the other hand, over four in 10 (44 percent) believe that strikes and other such confrontations will continue in 1987 and, indeed, at an increased rate. Three in 10 (30 percent) believe the same thing, with the difference that they do not see them increasing but remaining at the same levels.

For the majority of the Greek people 1987 will be a quiet year from an international standpoint. Four in 10 (39 percent) believe that it will be a troubled year with many international clashes. Over three in 10 (34 percent) believe that 1987 will be like 1986. Only one in 10 (14 percent) expresses the optimistic view that the new year will be rather a quiet one. One in 10 (13 percent) did not express an opinion.

The fears of the Greek people over the possibility of a new world war breaking out were rather elevated. The percentage of those believing in the possibility of a new world war was high in 1986, as in 1984 and 1983. On the other hand, in 1985 these fears had greatly decreased.

The above conclusions were the results of a Gallup poll conducted throughout Greece by the firm ICAP Hellas Co. (Gallup) for the "Gallup International" organization. Specifically, between October and mid-December 1986, ICAP submitted six questions to 1,000 men and women, 15 years old and above, in 44 cities, towns and villages in Greece. The results of the survey (the one we are publishing) were sent to the Gallup Organization which had conducted the same survey (with the same questions) in 35 other countries. TAKHYDROMOS will publish in a forthcoming issue the results of the same Gallup poll conducted in 18 European countries.

Question 1: With regard to what concerns you, do you think that 1987 will be better or worse than 1986?

	1986	1985	1984	1983	1982	1981	1980
Better	36%	26%	53%	50%	59%	72%	39%
Worse	37%	45%	20%	27%	18%	6%	40%
Same	17%	19%	14%	15%	10%	9%	13%
I don't know	10%	10%	13%	8%	13%	13%	8%
Total	100%	100%	100%	100%	100%	100%	100%

The Greek people's opinions about the new year are divided. What is noteworthy, however, is that the pessimistic atmosphere that had developed in 1985 (perhaps because of the economic austerity policy) has begun to fade. Of course, the Greek people seem to show that they are still far from the over-optimism that prevailed in the 3-year 1981-1983 period.

Question 2: Compared to what it was 12 months ago, do you think that your household financial situation is:

	1986	1985	1984	1983	1982	1981
Much better	7%	2%	7%	7%	5%	10%
Little better	23%	11%	26%	25%	19%	32%
Same	31%	39%	39%	34%	38%	35%
Little worse	24%	28%	18%	23%	26%	16%
Much worse	14%	18%	8%	10%	11%	6%
I won't answer	1%	2%	2%	1%	1%	1%
Total	100%	100%	100%	100%	100%	100%

Three in 10 Greeks (30 percent) find that in 1986 their household finances improved over 1985. On the other hand, about four in 10 (38 percent) believe that they more or less worsened. Three in 10 (31 percent) find no change. Comparing percentages that each answer had garnered in the past 6 years, the Gallup poll shows that after a period of pessimism (peaking in 1985), the Greek people seem to have once again found their optimism.

Question 3: What do you think of the country's economic situation, generally-speaking, compared to what it was 12 months ago? Would you say that it is:

	1986	1985	1984	1983	1982	1981
Much better	5%	2%	6%	7%	7%	10%
Little better	21%	6%	29%	31%	26%	38%
Same	22%	20%	25%	21%	21%	23%
Little worse	30%	36%	21%	26%	25%	18%
Much worse	18%	30%	11%	10%	11%	5%
I won't answer	4%	6%	8%	5%	10%	6%
Total	100%	100%	100%	100%	100%	100%

Those who believe that their own financial situation improved in 1986 also believe the same for the country's general economic situation. In this case, compared to 1985, those who see the country's economic situation improved are now three times as many. However, what is impressive is the fact that the percentage of those who see the general economic situation as "black and gloomy" is smaller by a large percentage (from 66 percent in 1985 it dropped to 48 percent in 1986). In other words, the percentage of persons who believe that inflation and unemployment made their presence noticeably known by influencing the development of the Greek economy decreased.

Question 4: Looking at the new year, do you think that strikes and social conflicts in Greece will increase, decrease or remain at the same levels?

	1986	1985	1984	1983	1982	1981	1980
Will increase	44%	51%	34%	34%	26%	10%	54%
Will decrease	13%	10%	16%	20%	24%	51%	8%
Same level	30%	24%	33%	29%	29%	17%	24%
I won't answer	13%	15%	17%	17%	21%	22%	14%
Total	100%	100%	100%	100%	100%	100%	100%

That segment of the Greek people who, as in previous years, believe that the working classes will continue to defend, in 1987, their economic and trade union demands with strikes and other kinds of demonstrations, remains at the same level. Those who believe in some kind of detente between workers and employers or workers and government constitute at present an insignificant minority compared to other years. Thus, today, over seven in 10 Greeks (74 percent) believe that strikes will continue, something that reveals that somewhere along the line "consensus" over the tight economy policy has not been attained.

Question 5: Looking at the new year, do you think that it will be a rather quiet one without many international conflicts, a troubled year with many international disputes or a year like the last one?

	1986	1985	1984	1983	1982	1981	1980
Rather quiet	14%	10%	14%	16%	20%	36%	14%
Troubled	39%	40%	32%	34%	27%	24%	44%
Same	34%	35%	36%	35%	34%	22%	31%
I don't know	13%	15%	18%	15%	19%	18%	11%
Total	100%	100%	100%	100%	100%	100%	100%

The Greek people do not believe that the new year will go by tranquilly. Comparing the percentages each answer got we can conclude that the Greek people's anxieties over international conflicts and disputes have not at all diminished, particularly in the last 2 years.

Question 6: I have here a scale from 0 to 100. Would you show me at what point on the scale you would place the likelihood of a new world war erupting in the next 10 years? (0 equals no possibility of a world war. The 100 means a world war in any case).

Possibility of a	1986	1985	1984	1983	1982	1981
new world war						
(average)	19.7%	15.8%	19.7%	22.5%	18.3%	16.5%

The possibilities of a new world war erupting in the next 10 years are not so great. This is at least what the Greek people believe and who have in recent years expressed the same opinion (regardless of local conflicts and other international developments). Of course, these possibilities, on average, as seen in the above table, show some differences from year to year that are, nevertheless, insignificant. What is noteworthy, at any rate, is that these possibilities show, according to the views of the Greek people, a small increase compared to 1985.

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CSO: 3521/70

REASONS FOR ADVOCATING SIMPLE PROPORTIONAL ELECTORAL SYSTEM

Athens I KATHIMERINI in Greek 1-2 Feb 87 p 8

[Article by "E": "Myths..."]

[Excerpts] As, sooner or later, we shall have elections, the burning issue of the electoral law of course resurfaces.

We, that is, the New Democracy, have expressed ourselves for the reinforced proportional system. The leftist parties, and the tiny parties with their limited possibilities and their unlimited ambitions, seek the simple proportional one. The PASOK is seeking and studying which is the most advantageous one and has not yet decided.

Without being in charge of the issue, and with no probability of being listened to, I take a positive and resolute position in favor of the simple proportional system as against the reinforced proportional one.

Yes, I am aware of the arguments that condemn the first and support the second. While specialists and officials in charge acknowledge that the simple proportional system constitutes the most genuine electoral system and allows for the counting of the real strengths of the parties, it does not lend itself to the formation of "strong governments." And these wise commentators say that in these hard days, with the problems that the country is facing, with the national dangers darkening the horizon, etc., etc., we must have an electoral system that will ensure a "strong government."

Have all these serious observers of our more recent history ever met any such phenomenon?

A strong Greek government?...

Has this unfortunate PASOK, which is now struggling in the pit with the economic snakes, ever been a "strong government"?

It was not even a normal government. Its members were humble and happy "robots" who never dared to raise their voices at the silent "government councils."

A strong government indeed!... Which government? Has it ever made a unanimous decision, has it ever demanded the right to a responsible opinion? Each minister, member of the "strong government," had an office, secretaries, advisers, telephones, Mercedes cars and the joy to hear: "At your orders, Mr Minister!" And also the satisfaction of being present at official receptions where, sometimes, he was able to shake the prime minister's hand.

Who is, yes, a "strong leader"! Very strong! No one else in the Western world has such power. He has formed around him a circle of flatterers and does not care a bit about public opinion, which he hypocritically flatters whenever he gets a chance and then only acts on his own. Greece is his own possession, and his struggle will be aimed at retaining it, at seeing that it does not fall into anyone else's hands. Especially, of course, if the hands belong to his age-old enemy, Kostas Mitsotakis. Who, if he wins the next election, (and I hope so!), will also be a strong leader with a dubiously powerful government...

And it would be a blessing if this New Democracy and Kostas Mitsotakis, a logical, courageous man, take over the government, even if not very "strong."

Therefore, why should we not, just this once, face each other honestly and openly? With the simple proportional and the cross of preference?

This should be understood by all Greeks. They should remember this, when they go to the poll booths, where a faceless symbol will be awaiting them, a green sun with thorns hiding behind it only one man. They will be voting only for Andreas and nothing else; they should know that they are giving the country away, to him, that they are awarding him all the privileges and all the rights, to choose friends, to make enemies, to wallow in debt, to freely distort history, to exploit the mass media as if he had inherited them from his father...

Let them know all this, even if they want to vote PASOK and "strong government."

Why should they not be made fools of, once again, since there is, deeply rooted within present-day Greeks, a sort of masochism that makes them like to be subservient to men who defraud them and despise them?...

Let it be... Let many believe that electoral systems regulate the ethos and the seriousness of our politicians.

But there must be others, fewer, who do not believe in myths about "strong governments." There should be a justification in favor of the reinforced proportional, that marvelous system that creates "strong governments."

/6091

CSO: 3521/73

EYP FORMER 'SPECIAL' BRANCH ABOLISHED

Athens PONDIKI in Greek 23 Jan 87 p 32

[Text] This is news: The "special" branch of the Department of Internal Security of the former KYP [Central Intelligence Service] was abolished 2 months after Alexakis' departure from the service, but nothing was announced publicly. Everything was done secretly, and the whole affair came out only when some strange faces that had not been seen around in a long time started to be noticed.

The reason that pushed the government to order the abolishment of the "special" branch--which was in charge of all the dirty business conducted by the KYP "under cover" (for instance, bugging telephones and surveilling people) and had been active for many years--is still unknown.

An easy explanation would be to say that the abolishment of this branch occurred within the framework of the EYP's [National Intelligence Service] demilitarization, but it is difficult to put any credence in this. On the contrary, some information--that has not been cross-checked by our newspaper, however, any offer... is gratefully accepted--purports that the "special" branch had committed at that time a monumental faux-pas, which threatened to destroy the image that the government had set for the service, that is, that the EYP is intended for the protection of the country's national defense....

At any rate, the EYP's Department of Internal Security continues to exist, is directly under Makedos' responsibility (according to the new organization of the service) and is headed by Polydrou, an Alexakis confidant for many years who knew about the existence of the "special" branch.

Special attention should be paid: A change in name does not necessarily mean a change in the way of thinking.

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CSO: 3571/72

BRIEFS

DEPUTY MINISTER'S FAMILY CONNECTIONS--Do you know that the new deputy minister of press, Mr Giannis Kapsis, has three...feet? What I mean is that of all the people who have gone through the Zalokosta office, he is the only one who has strong family support in at least three pro-government afternoon newspapers (they are even the principal ones). One of his sons, Pandelis Kapsis, is a reporter at THE NEA. The other, Manolis, is at the ETHNOS. And finally, his daughter-in-law (Pandelis' wife), works at the ELEVTHEROTYPIA. Do not ask about TO VIMA. Here, [he believes that] I am his friend! [Text] [Athens TO VIMA in Greek 1 Feb 87 p 64] /6091

CSO: 3521/73

POLLS SHOW LOSSES FOR CENTER-RIGHT COALITION

The Hague ANP NEWS BULLETIN in English 19 Jan 87 p 2

[Text] Hilversum, January 19--The centre-right coalition of Christian Democrats and Liberals would lose seats in parliament and could even relinquish its second chamber majority if elections were held now, opinion polls indicated at the weekend.

Results of a poll conducted by the Tros broadcasting association showed the centre-right coalition losing seven seats to 74--two short of a majority in the 150-member second chamber.

But a second poll by the Vara broadcasting association said the coalition would retain a reduced majority of 77 seats, four down on its present 81.

The Tros poll gave the following distribution of seats in the second chamber of parliament (May 1986 election results in brackets): Christian Democrats 50 (54), Labour 53 (52), Liberals 24 (27), D'66 11 (9), other left 6 (3), other right 6(5).

The Tros poll indicated that the Communist party would re-enter parliament by gaining two seats after losing all three of its seats in last year's May 21 election.

The Vara poll gave the following distribution of seats in the second chamber of parliament: Christian Democrats 55 (54), Labour 58 (52), Liberals 24 (27), D'66 8 (9), other parties 7 (8).

'Other left' refers to the Pacifist Socialist (PSP), Radical (PPR), and Communist (CPN) parties. 'Other right' refers to the Political Reformed Party (SGP), the Reformed Political Federation (RPF), and the Reformed Political Union (GPV).

Polls held before last year's general election underestimated Christian Democratic gains and overstated support for Labour.

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CSO: 3600/4

SOVIET SEISMIC DELEGATION IN AZORES

Lisbon DIARIO DE NOTICIAS in Portuguese 19 Dec 86 p 16

[Text] Testing Soviet technology for the forecasting of seismic and volcanic activity is the main purpose of the fieldwork being done by a team of scientists from Moscow on Sao Miguel Island in the Azores. That is what ANOP was told by a member of the University of the Azores who is participating in work being done in the craters of various extinct volcanoes on the island by a group of 18 geologists, volcanologists, and other experts from the Academy of Sciences in the Soviet capital.

The tests are part of a joint scientific program being carried out in the Atlantic by Canarian, Azorean, and Mexican universities and the Moscow academy.

Vitor Forjaz, a researcher with the University of the Azores who is keeping up with the Soviet fieldwork, said that the mission would travel later to Mexico and the Canary Islands.

He said that the work being done by the Soviets is part of a larger research program aimed at comparing various technologies to determine the effectiveness of forecasts of seismic and volcanic phenomena.

The researchers from the Academy of Sciences in Moscow began their work in Sao Miguel on Tuesday and should complete it today. They are traveling on the Soviet scientific vessel Akademik Strakov, which is anchored at Ponta Delgada.

Because of their location on the Mid-Atlantic Ridge—an area where plates come together—the Azores have experienced frequent seismic-volcanic crises—some of them violent—over the centuries.

That explains the interest of volcanologists and geologists in conducting research on the islands and the local university's involvement in that work. Besides Russian technology, French and U.S. equipment for forecasting earthquake and volcano activity has also been tested in the archipelago.

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CSO: 3542/36

FUP CHARGES POLICE WITH 'PROVOCATIVE ATTITUDE', INTIMIDATION

Lisbon DIARIO DE LISBOA in Portuguese 23 Dec 86 p 8

[Text] The Popular Unity Force (FUP) yesterday accused the Central Department to Combat Banditry (DCCB) of maintaining a "provocative" attitude in "trying to intimidate the organization" and the members of the FUP.

"There is continual persecution in the streets, searches of homes, and lengthy detention of members and sympathizers of the FUP," according to the communique now released, which stresses the negative results of that police activity. According to the FUP, that effort of the police forces was fruitless because "it has nothing to hide regarding its political activity." According to the document sent to the newspapers, the police activity indicates a "growing nervousness resulting from the fact that the defense unmasked the argument of Judge Martinho de Almeida Cruz and Prosecutor Candida to the effect that the FUP was organically linked to the FP-25."

"We characterize that persecution directed against us as part of the fierce political-economic police repression that the Portuguese people are suffering today because the social affliction of wages in arrears, general corruption, beatings by police squads, the illegalities committed in the delivery of reserves in the agrarian reform zone are attitudes and methods on the part of the political power that leads us to describe the state as an agent of flagrant and continual criminality," says the communique.

In conclusion, on the basis of these and other facts, the FUP comments that the "political reasons that inspired the drafting, formulation, and intervention of our program remain and, despite the persecutions and despotism it undergoes, it will not forego trying to put it into practice by every means."

8711/12795

CSO: 3542/40

POLITICAL LEADERS SEEN ISOLATED IN NATIONAL SPECTRUM

Lisbon EXPRESSO in Portuguese 20 Dec 86 p 3

[Article by Jose Antonio Saraiva]

[Text] Following the "change of situation" in which the PRD [Democratic Renewal Party] passed from being the "government's walking stick" to being an opposition party, Cavaco Silva is more isolated than before.

Previously, his cabinet could count on the PRD's votes at crucial moments. Now it cannot.

Previously, his cabinet could submit a motion of confidence to Parliament and be certain ahead of time that the PRD would not vote against it. Now the PRD itself admits the possibility that it will present a motion of censure.

A basic change has occurred on the political chessboard.

It happens that while that change has underscored the prime minister's isolation and the fact that his is a minority government, it has also made clear the isolation of each of the opposition party leaders.

Let us take a look.

The CDS [Social Democratic Center Party] is isolated by the nature of things.

By presenting itself as the party to the right of the PSD [Social Democratic Party], it cannot, if it is to be consistent, join with the parties to the left of the PSD.

It is, therefore, condemned to be an isolated voice--at least until the PSD decides to invite it to work with the PSD.

The PCP also finds itself hemmed in.

Since it occupies the extreme left of the political spectrum, it will not be able to undertake any major political initiative on its own without running the risk of becoming even more isolated.

If, for example, it presented a motion of censure, the danger is that no other party would go along with it. That would be bad for the Communists and would benefit no one except the government.

The PCP is, therefore, condemned to waiting to see what the PS [Socialist Party] or the PRD will do.

As for the PRD, its situation as a party sui generis that has not yet found its place on the political chessboard became even more pronounced last week when Eanes suggested to the PS--unsuccessfully--that they immediately create an alternative with a view to unseating the current government.

The refusal by the PS left the PRD in suspended animation.

It cannot draw close to the government again, negotiating with the CDS would make no sense, and an alliance with the Communists alone at this point would be fatal to Ramalho Eanes--since that would make the PS the only alternative on the "democratic Left" to the Cavaco government.

That is one mistake which the PRD is not going to make, and the result is that from now on, it will have to act alone.

That leaves the Socialist Party.

The Socialists have already made their intentions known (despite Constancio's lack of clarity on some occasions): the PS wants to grow and put distance between itself and the PRD, and for that reason, it will not be able to enter into an alliance with anyone.

The only way in which the PS can assert itself is for it to act on its own. It must succeed in instilling in the country the idea that it is the only leftwing party in a position to defeat Cavaco Silva and that, consequently, the Portuguese Left's "useful votes" must not be dispersed among other parties but concentrated on the Socialist Party.

After reviewing the situation of the political forces one by one, we conclude that while Cavaco Silva is more isolated now, so are Adriano Moreira, Ramalho Eanes, Vitor Constancio, and Alvaro Cunhal--each in his own way.

For the immediate future, it is impossible to foresee any possibility of an alliance or political agreement between parties.

What this means is that the PSD will continue to govern--at least for as long as it wants to.

And if logic is any guide, the situation is not going to change until the PS (and its new secretary general) feel strong enough to acquit themselves honorably in an electoral fight with the PSD and Cavaco.

11798

CSO: 3542/36

SUCSESSES, FAILURES, ERRORS OF 1986 REVIEWED

Lisbon EXPRESSO in Portuguese 27 Dec 86 p 3

[Article by Jose Antonio Saraiva]

[Excerpts] Politician of the Year

While Mario Soares was the big winner of the year, Cavaco Silva was the political figure of 1986--just as he had been in 1985.

He held the political initiative at every moment.

With him, the PSD [Social Democratic Party] stopped mourning the death of Sa Carneiro and began believing in the present.

Incisive and fond of action, he was able to convey to the entire government a taste for the concrete--and his government, unlike other governments, at least gave the impression of being more interested in governing than in playing politics.

He beat all records in popularity this year--although doing so at the cost of a frenetic pace which he imposed on himself and on his associates and which will not be easy to sustain for long.

He behaved as though he had only 1 year ahead of him instead of 4.

From that standpoint, he has governed well.

But it is unlikely that he will complete his term of office.

He has probably also been excessive in the challenges (and even the attacks) which he has directed at the opposition parties and which, although well received by part of the country, have probably ruled out certain consensuses that might have been achieved in other circumstances.

Besides Cavaco Silva, two other politicians deserve mention for having assumed leadership of their respective parties: Vitor Constancio and Ramalho Eanes.

But neither Vitor Constancio nor Ramalho Eanes has yet done anything impressive.

So far, Constancio has not been able to establish a style or to give his performance clear direction.

He has advocated bipolarization--or, more accurately, bipartisan politics--by putting forward the idea that the PS [Socialist Party] and the PSD, being the two largest parties on the left and the right, should alternate in power.

But he has not been sufficiently bold and energetic in defending that idea--just as he was not sufficiently straightforward in rejecting an alliance with the PRD [Democratic Renewal Party] (which would contradict his doctrine), leaving the impression that he might still consider the possibility of an alliance with the PRD.

The consequence of that lack of clarity and boldness was that the PS did not feel the galvanizing and mobilizing effect that usually accompanies a change of leader.

For his part, Ramalho Eanes, who finally took over as chairman of the PRD after a long period of expectation, has not yet had time to reveal his qualities as a political leader.

But he still seems suited more for the role of referee than for that of party leader.

His change of stance, in which he moved from acting as a prop for the government (although criticizing it at the same time) to a position of open challenge, was not adequately explained to the country and may lead to a lack of understanding in certain quarters.

Rise and Fall

Although the changes occurring within the parties resulted in new arrangements and produced tactical shifts, they also had as their natural consequence the rise of some participants and the fall of others.

In the PSD, the importance of men from the provinces (Eurico de Melo, Fernando Nogueira, Valente de Oliveira, and Dias Loureiro) has been confirmed at the expense of the influence exerted by men from the capital.

Concerning the PS, we must mention the complete collapse of the "traditional" party apparatus and the emergence of figures who, after remaining consistently aloof from party involvement in the days of Mario Soares, have now had their opportunity (Antonio Guterres, Jorge Sampaio, and Joao Cravinho).

In that context, the rise of Antonio Barreto was in a class by itself.

Mention should also be made of the defeats suffered by Jaime Gama and Almeida Santos, although those defeats do not appear permanent--considering that the

former continues to enjoy undeniable prestige (despite the almost childish mistake he committed in running for party leader when the die had already been cast and the movement in favor of Constancio was unstoppable) and that the latter has influence which goes far beyond the political sphere.

Concerning the PRD, we must note the strengthening of the "military wing" following Eanes' rise to the chairmanship (which brought several reserve officers into the leadership). Mention should also be made of the fact that Herminio Martinho, although dropping a rung in the hierarchy, has retained his influence, thus frustrating the hopes of some leaders who might be aspiring to the office of deputy chairman (Medeiros Ferreira or Jose Carlos de Vasconcelos, for example).

But that party continues to focus a great deal of its activity on Parliament--where it has a respected and influential deputy (Silva Lopes)--thus betraying its obvious lack of structures and capacity for intervention on a nationwide level.

Concerning the PCP, we should note the curious rise of Angelo Veloso, the party's presidential candidate, who has been moved from Porto to Lisbon and who is pointed to as one of Alvaro Cunhal's heirs apparent.

Political Errors

While the year 1986 witnessed some notable "performances" (like that of Mario Soares), it was also the setting for several errors--some of them incomprehensible.

The biggest error of the year was the decision--reached in 1985 but not revealed as a complete fiasco until 1986--which lead Ramalho Eanes and the PRD to support Salgado Zenha's candidacy for president.

It was an extraordinary choice, both because it was unexpected and because of the lack of political awareness and of foresight that it revealed.

By supporting Zenha hand in hand with the Communist Party, the PRD harmed itself in two ways: it caused disunity among its voters, and it jeopardized all chance of victory for a candidate from its political area.

By putting forward Salgado Zenha's name at a time when Lourdes Pintasilgo was already a candidate, Eanes and the PRD divided the votes of an already limited political area and pulverized its already highly fluid voters--who no doubt spread their vote between Zenha, Pintasilgo, and Soares.

It should be added that at the time, the unity of the "Eanist family" was a vital necessity to the PRD, considering the defeat it had experienced in the local elections.

Another "error of the year" was Cavaco Silva's presentation of a motion of confidence to Parliament only 7 months after taking office.

That move had the effect of stealing trump cards which the government might have needed on another occasion, and it helped create the idea that the government did not intend to remain in office very long.

That possibility caused some uneasiness in the country and created an image of Cavaco as a nervous and jittery man and a temporary prime minister--an image incompatible with that of someone aspiring to be a symbol of stability.

On another level, we should also mention here the crying error committed by Jaime Gama in running for chairman of the PS, as already noted above. That error has jeopardized his immediate future.

Predictions for 1987

Now a quick forecast of what may happen in 1987.

The coming year will most likely be one in which legislative elections are held.

The reason is that the prime minister can certainly not be intending to remain in the government for much more than 2 years with the current makeup of Parliament.

It remains to see what moment Cavaco Silva will choose for triggering the crisis (since he will continue to have the political initiative). Will it happen before summer or after?

The fact that elections for the European Parliament must be held in 1987 is a good pretext for telling the country that general elections are "justified."

Furthermore, debate on constitutional revision will begin in September, and Cavaco Silva will want to negotiate that issue from a stronger position.

But aside from increasing the number of his party's deputies in Parliament, what will Cavaco gain from new elections, since it is certainly not likely that he will manage to achieve an absolute majority?

What kind of government will it be possible to form after new elections?

A coalition between the PSD and the CDS [Social Democratic Center Party]--if those two parties combined obtain a majority in Parliament?

Another government by the PSD alone?

The situation is more complex than that, although it has not yet been dealt with analytically.

The problem, briefly, is this: if the PSD deputies, combined with those from the CDS, constitute an absolute majority, Cavaco Silva will wind up in a more favorable position even if he does not form a coalition with the centrists.

The reason is that at that point, the Left will be in the minority--that is, the PS, the PRD, and the PCP will be unable to torpedo government bills.

And then everything will shift to the CDS--which will have the responsibility of approving or rejecting measures proposed by the Social Democratic government.

11798

CS0: 3542/36

POLL RESULTS ON SITUATION, LIFE, FEELINGS IN 1986

Madrid ACTIVIDAD ECONOMICA in Spanish 18 Jan 87 pp 14-17

[Passages enclosed in slantlines printed in boldface]

[Text] As at every yearend, we Spaniards seem to have contradictory opinions about our immediate past and our future. In contrast to a harsh view of the year just past, we have moderate optimism about the year that is beginning. It appears that hopes for improvement are always dashed eventually by the adverse chain of events.

In 1983 and 1984 the majority of Spaniards (as reflected at the time in the Barometer Poll) had overwhelmingly negative opinions: Most thought that their personal situation had taken a turn for the worse during those years. That assessment was corrected in 1985 when, for the first time, 33.2 percent of those polled acknowledged that /"the year had been better than the previous one."/ The opposite opinion was held by 26.1 percent of Spaniards. This correction of the pessimistic trend (which at the time was linked to the euphoria produced by our entry into the European Community and moderate progress in controlling inflation) has now been mitigated by a certain balance as far as 1986 is concerned. Nearly half of those who responded (45.2 percent) expressed relative continuity: /neither better nor worse./ The rest were divided almost equally between those who thought their personal circumstances had gotten /better/ in 1986 (26.4 percent) and those who thought they had gotten /worse/ (25.5 percent).

In connection with this opinion of 1986, it should be mentioned that the behavior of the different electoral groups did not reveal any significant differences; moreover, this judgment is relatively independent of the political persuasion of those interviewed.

The evaluation of the year, however, becomes much harsher when it comes to looking at the development of the most important problems in our community life during this time period. Out of nine of these problems discussed in the Barometer Poll, only three elicited net positive responses, in terms of the number who felt there had been improvement and those who saw a worsening: /Relations with the European Community (EC)/ (+21.8 percent), /Foreign Policy/ (+17.4 percent), and /Education/ (+4.7 percent). The other six yielded negative results, in the following order: /Terrorism/ (-13.7 percent),

/Economy/ (-22.7 percent), /Citizens' Safety/ (-28.0 percent), /Taxes/ (-53.5 percent), /High Cost of Living/ (-63.4 percent), and /Unemployment/ (-65.9 percent).

There is little doubt about employment: 22.9 percent believe that it is the same, 70.2 percent see a worsening trend, and only 4.3 percent think it has improved. Despite repeated government assertions about containing unemployment, the majority of electoral groups, including the Socialists, believe it is growing worse. On the contrary, our relations with the European Community are given unanimous backing by all electoral groups. As for foreign policy, the overall positive opinion is due to the overwhelming support among the Socialists and those belonging to the Democratic and Social Center (CDS), and the more modest support expressed by those of the Popular Alliance (AP) and the United Left (IU). Finally, the slightly positive opinion of the progress of education is due to the decisive support of the Socialists, offset by slightly negative opinions expressed by the other electoral groups.

Even so, Spaniards are still optimistic about the year to come. And here the almost euphoric view they expressed in December 1985 is repeated: 38.3 percent of those interviewed expect to be in a better personal situation in 1987 than they were in 1986. On the other hand, 18.6 percent believe their circumstances will worsen. Finally, one in three expresses the cynical view that things will be /neither better nor worse./ Here again, the electoral groups do not exhibit any significant differences, and the optimists form the majority in all groups.

Government and President: No Change

The transition between 1986 and 1987 is characterized by relative continuity in terms of opinions on the president and his government, but there are also telling changes in responses regarding party structures and Spaniards' voting plans.

Felipe Gonzalez' image has tarnished slightly because of a small increase in the number of people expressing a /poor/ opinion of the president: up from 28.8 percent to 31.0 percent. The year closes, then, with a neutral vote of 2.8 percent under the influence of the worst of times. Despite this, however, he has regained the support of his own Socialist voters, many of whom had wavered during the NATO referendum.

Nonetheless, the remaining electoral groups have stepped up their criticism of the president. Popular Alliance voters who have a /poor/ opinion of him have gone from 56.7 percent to 61.3 percent, while those of the IU edged up from 46.9 to 50.9 percent; and among CDS voters, the number leaped from 11.8 percent to 32.0 percent.

With respect to the government, the opinions have not deteriorated seriously because, except for the views of Socialist voters, they had already been quite negative for months. The neutral vote for the government is at -5.0 percent at the end of the year, still negative but far from the -19.0 percent received during the months of the NATO referendum.

The changes appear right where the Spanish Socialist Workers Party (PSOE), the government, and the president end, and have a particularly strong impact on the recomposition of the center-right. Indeed, the Popular Alliance has suffered such significant reversals in the last few months that its position as the primary opposition party, and even as the leading party of the Spanish right, is in jeopardy.

AP Crisis: Center-Right Regrouping

First of all, the poor showing of this group in the most recent general elections confirmed that there is an electoral ceiling, and that it is incapable of posing a serious alternative to the Socialist government. Then came the break-up of the coalition, with the departure of the People's Democratic Party (PDP), and more recently, the singular distancing of Jose Antonio Segurado and the Liberal Party. Next came an internal crisis, the sudden departure of Jorge Verstrynge, and a new exodus of deputies to the Mixed Group. Later on there was the failure in the Basque Autonomy elections, in which Adolfo Suarez got the same deputies as the Popular Alliance. Given this state of affairs, Manuel Fraga's resignation could be regarded by most Spaniards as almost a logical consequence of all this. Curiously, there is an unusual conviction that Fraga's resignation, though logical, is damaging to the very aspirations of the AP (50.0 percent), and even those of the right in general (37.2 percent). In contrast, the resignation clearly benefited two groups: the political center (in the opinion of 46.6 percent) and the PSOE itself (55.6 percent).

In addition, Manuel Fraga's departure has created an uncertainty that is difficult to resolve in public opinion. The candidate presumed to be the best replacement is Miguel Herrero de Minon (18.6 percent prefer him), followed by J. Verstrynge with 12.4 percent. Among AP voters, preferences are divided primarily between Miguel Herrero de Minon (29.2 percent) and Antonio Hernandez Mancha (15.3 percent). Far behind them is Jorge Verstrynge with 8.0 percent, and surprisingly, next down the list, 7.3 percent of AP voters would like Adolfo Suarez to become the leader of their party.

The Year of Suarez

Within this frame of reference, a new development of singular importance begins to emerge: Too many Spaniards already have the impression that the AP has played out its role as the first opposition party, and that to the right of the PSOE, the new names are Adolfo Suarez and the CDS. In fact, 44 percent of those polled believe that if elections were held today, the best results in the center-right would be for the CDS; in contrast, only 24.3 percent see the AP coming out ahead. That opinion is overwhelming, of course, among those who have voted for the CDS in the past, but it should be noted that it is also shared by 21.0 percent of those who until now have voted AP.

As a result of all of the above, the voting plans revealed by the Barometer Poll in December 1986 are undergoing significant changes with respect to what was the pattern until now. Of those interviewed, 39.6 percent still intend to vote for the PSOE, 42.9 percent if the undecided portion is projected. Given

the preceding atmosphere, without any improvement yet, there is the IU (4.6 percent, 5.5 percent with the projected undecided vote).

The decline of the AP, in contrast, is already symptomatic. Its largest share recently was the 25.1 percent of the intended vote recorded in August, with the undecided vote factored in. In the following months, that parameter continued to slide, and between November and December it fell to 19.8 percent. At the same time, the CDS is rising proportionately, from 9.5 percent in the general elections of June to 16.3 percent, just over 3 points away from the party that is now leading the opposition.

If the trends revealed today materialize, we may see a substantial change in the lineup of parties, confirming a pattern that the Barometer Poll detected back in October 1984, which was then very latent: /The model is returning, with a few modifications, to its original characteristics: two large parties, from right to left, two nationwide parties that will grow larger than they have been to date, and the consolidation and even development of the Basque and Catalan minorities./

Technical Data

Directed by: Tecnicas de Comunicacion, Consultores, S.A.

Conducted by: Sigma-Dos, S.A.

Universe: people 18 years or older

Environment: Spain, except for the Canary Islands, using 13 autonomies as a sample

Sample: 1,111 interviews, with a possible error of plus or minus 3.0 percent, for a confidence interval of 95.5 percent and $p/q = 50$, according to the Arkin and Colton tables.

Selection: random, based on the "Random Route" method, complemented by the quota correction system to correct for sex, age, and profession.

Interviews: conducted during personal home visits.

Date of fieldwork: from 12 to 17 December 1986

Old Year, New Year

Last year was neither worse nor better for Spaniards, although in December 1986 Spaniards were less optimistic than they had been in December 1985 when it came time to assess the year. The overall opinion of the country's situation in the immediate future is not much better than the stagnant trend that has been seen since the pessimism of 1983 and 1984: 38 percent of Spaniards believe that 1987 will be better than 1986, 29.6 percent think it will be neither better nor worse, and 18.6 percent think it will be worse. The assessment of the year becomes more severe, however, when talking about the problems that affect Spanish society.

The Best

Being in Europe: 21.8 percent. In Spaniards' evaluation of their problems, relations with Europe benefit from the tendency to be optimistic about something new. This improvement is supported by all of Spanish society.

Foreign Policy: 17.4 percent. Francisco Fernandez Ordonez is basking in approval, although the overall positive opinion of foreign policy is due to majority support by the Socialist and CDS electoral groups.

Education: 4.7 percent. This problem divides Spanish public opinion. The slightly positive opinion on the whole, however, is due to decisive support by Socialists, in contrast to other negative opinions.

Unemployment: -65.9 percent. Despite the government's efforts to publicize its progress on the employment front, 70.2 percent of Spaniards feel the unemployment situation is worse.

Cost of Living: -63.4 percent. The difficulties in containing inflation are reflected in popular discontent. More than 66 percent of Spaniards believe that the cost of living has gotten worse.

Taxes: -53.5 percent. They are not viewed favorably. The government's policy has not managed to convince the public: 68 out of 100 Spaniards believe that the situation is worse in this respect.

President: No Change

The transition from 1986 to 1987 is marked by the continuity of attitudes among the Spanish people regarding the president of the government, Felipe Gonzalez, and his cabinet. Felipe Gonzalez has suffered moderate damage to his image in this latest wave, although he has regained the favor of Socialist voters who abandoned him during the recent NATO referendum. By electoral groups, the largest increase in poor opinions of the president is seen among CDS voters. The ~~neutral~~ vote toward the government is -5 percent, much better than the -19 percent it received during the months of the NATO referendum.

The Good, Outside; The Bad, Inside

(Evaluation of the country's various problems in 1986.

Sum of positive opinions minus negative opinions)

	Difference
Relations with EC	+21.8
Foreign Policy	+17.4
Education	+ 4.7
Terrorism	-13.7
Economy	-22.7
Citizens' Safety	-28.0
Taxes	-53.5
High Cost of Living	-63.4
Unemployment	-65.9

Of the issues cited below, which do you think have gotten better, which have remained the same, and which have grown worse in 1986?

	Economy	Unemployment	Cost of Living
Better	17.8	4.3	3.3
Same	33.9	22.9	26.2
Worse	42.7	70.2	66.7

	Terrorism	Foreign Policy	EEC Relations
Better	20.1	33.1	34.7
Same	40.7	33.8	32.4
Worse	33.8	15.7	12.9

	Citizens' Safety	Taxes	Education
Better	12.1	5.1	27.9
Same	40.4	27.4	38.2
Worse	40.1	58.6	23.2

Skepticism About 1986

(For you personally, was 1986 better or worse than the year before?)

	Dec. 83	Dec. 84	Dec. 85	Dec. 86
Better	25.9	18.8	33.2	26.4
Not Better or Worse	34.9	35.5	39.4	45.2
Worse	37.0	39.4	26.1	25.5

Hope for the Future

(In comparison with 1986, how do you think 1987 will be for you?)

	Dec. 83	Dec. 84	Dec. 85	Dec. 86
Better	31.9	32.9	40.5	38.3
Not Better or Worse	22.0	25.7	30.1	29.6
Worse	31.9	26.8	17.9	18.6

Good Year for Felipe Gonzalez

(What is your opinion of the current president of the government, Felipe Gonzalez?)

	Dec. 85	Mar. 86	Jun. 86	Jul. 86	Aug. 86	Sep. 86	Oct. 86	Nov. 86	Dec. 86
Good	35.3	34.2	30.2	35.8	38.0	34.3	34.8	34.6	33.8
OK	39.1	31.0	33.4	29.3	32.6	33.5	33.0	34.1	32.8
Poor	24.0	31.8	33.8	33.3	27.9	30.0	30.7	27.8	31.0
Neutral Vote	11.3	2.4	-3.6	2.5	10.1	4.3	4.1	6.8	2.8

NATO Still a Detriment

(What is your opinion of the current government of the nation?)

	Dec. 85	Mar. 86	Jun. 86	Jul. 86	Aug. 86	Sep. 86	Oct. 86	Nov. 86	Dec. 86
Good	26.5	26.1	21.9	29.4	27.4	29.3	26.5	26.1	27.6
OK	43.7	37.2	34.6	32.3	40.5	37.4	39.4	39.0	37.2
Poor	27.8	33.4	40.9	36.3	29.9	30.7	32.4	31.2	32.6
Neutral Vote	-1.3	-7.3	-19.0	-6.9	-2.0	-1.4	-5.9	-5.1	-5.0

No Color
(Voting plans, with projection of undecided vote)
Results

	Jun. 86	Jul. 86	Aug. 86	Sep. 86	Oct. 86	Nov. 86	Dec. 86
PSOE	45.1	44.2	45.0	44.4	43.0	42.3	42.9
CP	26.7	24.0	25.1	24.2	23.3	23.7	19.8
IU (PCE)	4.7	5.2	5.1	5.5	5.6	6.4	5.5
CDS	9.5	11.2	13.1	12.8	14.1	13.7	16.3
CiU	5.1	5.1	4.2	5.2	4.8	5.1	5.1
PNV	1.6	1.5	1.5	1.5	1.2	1.4	1.0
EE	0.5	0.5	0.0	0.0	0.0	0.7	0.7
HB	1.2	1.2	1.2	1.1	1.1	1.1	1.2
PRD	1.0	0.8	1.1	0.8	0.4	0.2	0.4
MUC	1.1	1.1	1.1	1.3	0.9	0.3	0.4
PDP	--	--	--	--	--	1.0	1.0
Others and Undecided	3.5	5.2	2.1	1.3	5.1	4.1	5.7

Crisis in the Right, Gains for the Center

(As you know, Fraga stepped down a few days ago as president of the AP. In your opinion, is this good or bad for . . .?)

	Overall	PSOE	AP	IU	CDS
Popular Alliance					
Good	26.1	28.7	16.1	35.4	25.0
Indifferent	12.6	12.7	8.0	10.9	11.1
Bad	50.0	46.3	67.2	49.1	54.2
Don't Know/No Response	11.3	12.4	8.8	5.5	9.7
The Right as a Whole					
Good	29.1	35.5	15.4	43.6	26.4
Indifferent	18.8	18.2	14.6	10.9	15.3
Bad	37.2	31.6	56.2	30.9	47.2
Don't Know/No Response	14.9	14.6	13.9	14.5	11.1
Political Center					
Good	46.6	51.5	43.8	52.7	41.7
Indifferent	26.0	25.7	23.4	21.8	36.1
Bad	12.2	9.1	18.2	12.7	9.7
Don't Know/No Response	15.2	13.4	14.6	12.7	12.5
PSOE					
Good	55.6	54.7	65.0	61.8	58.3
Indifferent	22.8	25.1	16.8	18.2	18.1
Bad	9.5	10.1	5.8	10.9	13.9
Don't Know/No Response	12.0	10.1	12.4	9.1	9.7
Country's Interests					
Good	32.4	38.8	18.2	52.7	27.8
Indifferent	31.2	35.8	19.0	23.6	37.5
Bad	19.5	9.8	48.1	9.1	18.1
Don't Know/No Response	17.0	15.6	14.6	14.5	16.7

Find That Man

(Of the following leaders, who do you think is the best replacement for Fraga to lead the AP?)

	Overall	PSOE	AP	IU	CDS
Osorio	5.5	7.5	5.1	1.8	5.6
Herrero de Minon	18.6	16.6	29.2	9.1	16.7
Verstrynge	12.4	14.0	8.0	10.9	18.1
Martin Villa	2.6	2.6	1.5	5.5	1.4
Ferrer Salat	6.7	4.2	5.1	12.7	8.3
Hernandez-Mancha	7.8	6.8	15.3	5.5	5.6
M. Oreja	2.6	2.3	2.9	3.6	4.2
Matutes	2.2	2.3	2.9	0.0	1.4
Suarez	4.3	3.6	7.3	1.8	9.7
Don't Know/No Response	37.3	40.1	22.6	49.1	29.2

CDS Better than AP

(If elections were held today, who do you think would have better electoral results: AP, CDS, Oscar Alzaga's PDP, or Antonio Segurado's PL?)

	Overall	PSOE	AP	IU	CDS
AP	24.3	21.5	41.6	7.3	11.1
CDS	44.0	51.8	21.9	61.8	72.2
PDP	4.5	2.6	6.6	5.5	6.9
PL	0.9	1.0	1.5	1.8	0.0
Don't Know/No Response	26.4	23.1	28.5	23.6	9.7

8926

CS0: 3548/41

DEFENSE PLAN, NUCLEAR POWER, TAX ISSUES FACING CARLSSON

Stockholm DAGENS NYHETER in Swedish 21 Dec 86 p 14

[Commentary by Sven Svensson: "Ingvar Carlsson After the 'Honeymoon'"; first three paragraphs are DAGENS NYHETER introduction]

[Text] Ingvar Carlsson's first year as Olof Palme's successor is almost over. And he has come through it without any major crises.

But 1987 will put the Social Democrats to the test: the party will have to make decisions on three big issues that are the subject of internal controversy.

Over the Christmas vacation Prime Minister Ingvar Carlsson can rejoice over good stable opinion poll figures. But soon afterwards the problems will begin. In 1987 the Social Democrats must clear up internal differences of opinion and make decisions on such important questions as the defense budget, phasing out nuclear power and taxes.

From the outset "Swedish" Carlsson has demonstrated greater interest in domestic policy than "Foreign Affairs" Palme, who was in his element on the international arena.

At the same time Olof Palme was adept at holding the Social Democratic Party together, getting his proposals through Riksdag and mobilizing the support of Social Democratic voters. No one knows yet with any certainty how good Ingvar Carlsson will be in these areas.

Ingvar Carlsson is operating in an entirely different economic and parliamentary climate than Olof Palme. As a new party leader Olof Palme had to deal with the big Malmfalten strike and the transition to the unicameral Riksdag. Ingvar Carlsson is operating in the era of economic austerity with an increased emphasis on bloc politics and a bigger private sphere.

Dependent on VPK

Invitations from Ingvar Carlsson have rained over the political opposition. But the most tangible result of these overtures has been intensified

opposition to the one-time tax on private pensions and the increased real property tax for private property owners and farmers.

These Social Democratic proposals have forged the three nonsocialist parties together and increased the dependence of the Social Democrats on the Left-Communist Party [VPK].

The biggest VPK success was that the party managed to push through a decision to eliminate collective affiliation with the Social Democratic Party. On this issue so dear to Ingvar Carlsson VPK even managed to get a foothold in the SDP executive board.

But Ingvar Carlsson can rejoice in good stable opinion poll figures and a high confidence rating among the electorate as a whole. This is probably more for psychological than for political reasons.

Ingvar Carlsson represents a different political style than Olof Palme. Around Palme things crackled and sparks flew--Carlsson exemplifies the cautious and utilitarian approach.

Guilty Conscience

Underneath there is also a feeling of collective responsibility for the brutal murder of Olof Palme. Many nonsocialist voters saw in Olof Palme the incarnation of all evil. These voters must at any price hang onto their own opinion that everything became so much better, so different, when Ingvar Carlsson took over. Their peace of mind after the murder demands this, even though everyone knows that a party leader is primarily the prisoner of his own party.

There is also a guilty conscience on the Social Democratic side that exacts its tribute. Olof Palme was certainly greeted with great enthusiasm on his campaign trips but feelings about him were mixed because of his social background.

With Ingvar Carlsson the Social Democrats have a person with a proletarian background as party leader for the first time since Per Albin Hansson's day. That makes everything much simpler emotionally for people with some kind of working-class background.

After the beginning of the year Ingvar Carlsson's honeymoon period will be over. Carlsson will then be forced to show that he, like Olof Palme, can both hold his party together and run the country.

Budget is First Real Test

Submission of the government's budget on 12 January 1987 will be Ingvar Carlsson's first real test. It will be an economy budget and thus a test of how militant Federation of Trade Unions [LO] groups react to austerity measures that could affect employment and public services.

Austerity cuts in the municipal sector will be the most sensitive issue. In the shadow of the labor market conflict last summer the conflict between workers for private companies and public employees was revealed. At the LO congress an open fight broke out, to everyone's surprise, between Leif Blomberg of the Metalworkers Union and Sigvard Marjasin of the Municipal Workers Union.

New austerity moves on the municipal level could easily lead to new conflicts in the LO collective. Such conflicts will not enhance the credibility of the Social Democrats. This is especially true in view of the fact that during the contract negotiations the government itself was sometimes accused of interfering too much and at other times it was accused of not interfering enough.

In the spring Ingvar Carlsson must clear up three major political issues-- defense for the next 5-year period, phasing out nuclear power and tax and family policy.

Opposing Forces

The common denominator is that on all three issues there are Social Democratic factions pulling in entirely different directions.

The naval arms race in the North Atlantic has turned the Nordic region into an area of high political tension and the submarine incursions in the Baltic Sea jeopardize the credibility of Sweden's neutrality policy and Swedish self-confidence. A four-party agreement on defense would therefore represent an important national demonstration to the outside world.

But the Social Democratic disarmament wing has become stronger as time went by, although it is less strident just now. For Ingvar Carlsson it will be a difficult balancing act to achieve unity in his own party on one hand while reaching an agreement with one or more nonsocialist parties on higher defense costs on the other.

Ingvar Carlsson can scarcely allow the Left-Communist Party to cast the deciding votes on the defense resolution for the 5 year period from 1987 to 1992. That would probably be a heavy burden on the party in the next election campaign.

Thus the parliamentary situation in Riksdag, where the nonsocialist parties have more seats than the Social Democrats, gives the opposition a strong negotiating position if it can maintain a somewhat united front. A Social Democratic government proposal must receive the votes of VPK members, otherwise the nonsocialist parties will automatically win.

Nuclear Power Dilemma

According to a parliamentary resolution nuclear power must be phased out by the year 2010 but after Chernobyl the Social Democrats promised to investigate the possibility of speeding up the timetable.

The Social Democrats are also divided on this key political issue even at the cabinet level. Four LO labor unions in heavy industry have written to the government warning that rapid elimination of nuclear power plants could have a negative impact on employment.

At the same time all three Social Democratic branch organizations--the youth group, the women's group and the Christian brotherhood movement--are demanding a rapid elimination, especially in the case of Barseback.

Tax Election

The proposal of principle on energy will be presented to Riksdag next March and well before the 1988 election compromise master Ingvar Carlsson must be able to point to broad parliamentary support for a more detailed plan for phasing out the 12 nuclear power plants.

Private taxes are fixed for 1987 and 1988, but a revision is needed for the 1990's that citizens can regard as both reasonable and fair. It is still an open question whether or not the formulation will be given in a public report in which the opposition has been allowed to participate.

In any case the Social Democratic Party does not seem to know whether it is coming or going just now. Kjell-Olof Feldt is advocating lower marginal taxes, especially since it has turned out that progressive taxes have less of an equalizing effect than had been believed.

Ingvar Carlsson, on the other hand, is murmuring about giving municipal tax equalization first priority, probably along with the creation of a real profits tax on stocks and bonds.

Therefore the 1987 Social Democratic congress will show the party's course on the tax issue. But that means there will have to be a compromise between different conflicting interests.

The political forecast today looks like this:

The 1988 election will be dominated primarily by taxes with the nonsocialist parties on the offensive. But the nonsocialists will not be in agreement. In varying degrees the Conservatives and the Liberals want to lower taxes for high-income workers while the Center Party wants to protect low-income workers with higher basic deductions.

6578

CSO: 3650/38

INTERVIEW WITH PROMINENT SDPP MEMBER BAYKAL

Istanbul CUMHURIYET in Turkish 2-3 Nov 86

[Interview with prominent SDPP member Deniz Baykal by correspondent Cuneyt Arcayurek]

[2 Nov 86 p 7]

[Text] Ankara--The self-evaluation that began at the Social Democratic Populist Party [SDPP] after the by-elections is still continuing. Various rumors and investigations about prominent members of the SDPP have been circulated in public.

Deniz Baykal, who has been the object of various speculations, ended his silence in a wide-ranging interview with CUMHURIYET.

During the interview, Baykal evaluated the by-elections in depth from the perspective of the Motherland Party [MP], the SDPP and the rightist parties. Contrary to what has been said and written in the last few days, Baykal said that he believes that "a change in the party structure is essential" and that another major step the party must take is to set a social democratic perspective. He added that he does not see a leadership problem in the SDPP and denied rumors that he has ambitions to become the party leader.

Explaining structural changes, Baykal spoke about "arrangements in the headquarters" and expressed his "personal views and proposals" on how these changes should be made.

Deniz Baykal's answers to our questions were as follows:

[Question] What do you think are the most important political implications of the by-election results?

Baykal: The by-elections of 28 September exposed the country's political picture. The month that has elapsed since then has been enough to dampen the emotional and exuberant evaluations of the results. What needs to be done now is to interpret the election results with a cool head and to draw the necessary political conclusions. I believe that the most salient result of this election is related to the MP. The MP has emerged as the biggest loser from this election. In addition, the MP's future existence is now in doubt.

As is known, in 1983 the MP won 45 percent of the vote. In less than 3 years, its electoral support has dropped to 32 percent of the vote. In other words, one out of every three voters who voted for the MP in 1983 voted against it in this election. The decline of voter support from 45 percent to 32 percent depicts a consistent pattern which has also been confirmed by the local elections. There is no reason to assume that this curve of regression will stop at 32 percent.

MP Will Face More Problems

In these elections, the MP employed unconventional methods which it will never be able to use in any general election. By playing on the theme that the government will not change regardless of the outcome of the by-elections, government resources were used to extort votes on a scale never seen before in our political history. Local governments and village heads were coercively used as vote-gathering instruments. However, despite these extraordinary measures, they managed to win only 32 percent of the vote. The confirmation of the declining pattern in voter support will put the MP in an even more difficult position in a future election.

These observations lead us to conclude that the MP, which is the only survivor of the three parties that were formed after the 12 September 1980 intervention, is now facing a serious struggle for its very existence. The circles which developed a certain political model during 12 September and which have sought to control Turkey's political future will have to evaluate this situation seriously. As is known, unlike previous military interventions, the 12 September operation was not satisfied with changes in the constitution and the legal system and attempted to set the political future of the country. To that end, the parliament was dissolved, the political parties were shut down, and new controlled political parties were formed. However, two previous examples have shown that the political parties that were supposed to live and prosper in a glass incubator under special conditions cannot continue to survive when the democratic system is fully functional. In view of that fact, the MP's situation was being monitored carefully.

Pattern of 12 September Overcome

These last by-elections, in which all political parties could participate, proved that the MP is faced with a crisis of survival and that it will not be able to perform, beyond a certain point, the mission it was charged with in the planning of 12 September. This is an important political result. The realization of such a situation, that is the breaking of the political pattern of 12 September, is something that we must be proud of. The fact that this has been done while preserving domestic peace and without creating abnormal tensions and shaking the basic balances of the nation and the fact that this developing situation is increasingly accepted by all concerned circles is very reassuring for our democratic development. In my opinion, this is one of the important outcomes of the by-elections.

Our nation has thus rejected all outside coercions designed to disrupt the natural and organic development of our multiparty system as well as quests of

dominance collaborating with those coercions and has preserved its independence. It has proven to everyone that political history and consciousness cannot be erased like writings on a blackboard.

[Question] Does the by-election have any important implications for the left?

Baykal: Yes. In this election the left unfortunately retreated for the first time. The position of being the second largest party has now been taken by a rightist party which is posing as an alternative to another rightist party. I believe that this situation must be carefully examined.

Model With Rightist and Leftist Parties

This situation, that is the fact that the alternative for the right is another rightist party, will create many problems both for the democratic system in the country and the future outlook of the social democrats. The fact that the alternative for a rightist party in Turkey is another rightist party and the prospect of having Turkey's democratic system swing between two rightist parties is worrisome for the effective operation of the country's democratic system. Turkey is a developing country. It is going through a rapid and major social transformation. In 14 years, three-quarters of Turkey's population will live in cities. In addition, half the population will be under 20 years old. This indicates that Turkey will encounter new settlement and construction problems. This rapid transformation is inevitably causing major tensions and strains. These problems will be aggravated because of an inadequate economic development rate.

If the political system falls into a perpetual cycle between two rightist parties at a time when such major social tensions and strains are emerging, the country's problems will be exacerbated. I believe that it would be impossible to have a democratic system—or to have a system with a democratic character—under these conditions. I believe that with a system based on such a party structure it would be impossible to maintain the country's internal peace and order and to transmit the existing tensions and strains to the system in a way that would help the nation to overcome them. All these show that a political model based on two rightist parties can create problems which may seriously jeopardize the country's internal peace and balances and eventually the nation's independence and—I am afraid—its national integrity. Consequently, the need to restore the natural and healthy political structure that has worked everywhere in the world, that is the model based on two large parties on the right and the left of the center, is an important issue for Turkey.

The by-elections of 28 September underscored this need for the first time. Of course, this situation is of direct concern to us, the populist social democrats. The social democrats have a distinguished history in Turkey. The populist movement played a major role in the liberation war, the establishment and consolidation of the republic, the establishment of a state of law, the drafting of a modern constitution and the transition to democracy. The social democrats also helped to endow the democratic regime with a social and economic content and to restructure social life on a social democratic basis.

We served in the government and sometimes in the opposition in all these accomplishments. Now the by-elections of 28 September indicate that we are even losing our chance of becoming the main opposition party, let alone the government. I would like to state that I consider this a very important development.

Social Democratic Aspirations

[Question] Prime Minister Ozal has been saying in his evaluation of the by-elections that the social democratic movement cannot succeed any longer and has insisted that the SDPP would win even fewer votes in the next election. What is your evaluation of the situation?

Baykal: No, because in the present stage of Turkey's historical and social development, the nation has increasingly begun to share the social democrats' aspirations and to express their wishes in the political domain. In other words, the nation is demanding intensely and expressing its desire for social democratic reforms, policies and arrangements. The country's rapid social and economic transformation and urbanization, the stage Turkey has reached in industrialization, the spread of international communications and influence in Turkey are all helping the establishment of a favorable foundation for social democratic policies and aspirations. That is why even the rightist parties have felt obligated to introduce social democratic reforms. This is what the MP has sought with its theory of "moving center." This is also at the root of Mr Demirel's recent overtures expressing aspirations for a social state. All these show that the Turkish society has social democratic demands and aspirations. What is contradictory is this: While the Turkish people express collective social democratic aspirations, the social democratic movement is experiencing its most severe crisis. This is a fundamental contradiction and shows that the social democrats need to make a serious evaluation of the situation.

However, I do not think that this should be a cause for future despair. For us, the by-election was an exercise with real ammunition. We realized our deficiencies and shortcomings. Nobody will ever catch us in such disarray again. We will no longer permit the rightist parties to use social democracy as a filling material.

[Question] Your remarks indicate that the social democratic vote in the by-elections would not be sufficient even if it was not divided and stood together. What reason do you have to think that the potential vote for social democrats is larger?

Baykal: You are right. I think that the picture that has emerged from the 28 September by-elections is not only unsatisfactory but worrisome. I have been hearing the reasoning that "23.5 percent for SDPP plus 8.5 percent for the Democratic Left Party [DLP] totals up to 32 percent." I cannot accept that reasoning for the following reason: As is known, the MP won 45 percent of the vote in 1983. Most of this support came from regions which have traditionally voted for the Republican People's Party [RPP]. In other words, large cities, shantytown areas and rural areas--where social democratic ideology has been prevalent--voted for the MP in 1983.

Thus, a major portion of that 45 percent was made up of social democratic votes. The policies that the MP has pursued in the last 3 years have reached a point where the voters had to express their resentment; thus one out of every voter who voted for the MP in 1983 now prefers to vote against it. Despite this rapid disintegration of the MP, the voters who moved away from the MP have moved not toward the social democratic movement but toward another movement. This is the problem that needs to be addressed. This is the problem. In other words, at a time when the party in power is losing its support rapidly we cannot console ourselves by saying that "between the two parties we have preserved our minimum grass roots support." Because the election results mean that the masses disillusioned with the party in power are not seeking the solution of their problems in the social democratic movement. This is the problem. While voters have broken away from the MP--which won a large share of the social democratic vote in 1983--these social democratic votes have not preferred to return to the social democratic movement. This is the issue.

Consequently, I think it would be very wrong to feel satisfied with the 30 percent voter support won in these elections.

Worrisome Complacency

There is another issue. If we become accustomed to these levels of voter support and to the loss of our position as the main opposition party, and if we convince ourselves that this is fair, acceptable and natural, we will have come to a very dangerous point. Because with such a mentality tomorrow we may wish for what we have today. That would create a progressively shrinking and restrictive tunnel effect. Therefore, the first thing that needs to be done is to refuse to accept and to be satisfied with these electoral shares. We must look at the issue with this mentality and from a position of strength. There may be concern that an approach that is not satisfied with the election results may lead to new debates and quests within the party. Exaggerated reports that occasionally appear in the press are interpreted in this framework. I think that we should not be afraid of arguments and new quests.

What should be more worrisome is that the members of a movement which has scored such a dismal success manage to remain calm, accept what has happened as natural and continue to live complacently. That would be a more worrisome situation. Consequently, I believe that we should have debates over this issue. We must debate it not with the purpose of accusing and attacking each other but in order to understand the causes of the situation we are in and to find ways of overcoming it. It is better to argue today than to weep tomorrow.

[Question] If you will allow me, I would like to change the subject to an issue which carries a sense of urgency in these evaluations. You say that voter support for social democrats is potentially strong. However, the demands for the reorganization of the headquarters in reality constitute a debate over the leadership of the party. There have been increasing reports to this effect. What do you think on this issue?

Baykal: I do not think that the problem we are facing is one of leadership or party chairmanship. The leader of the party, Mr Inonu, has an irreplaceable stature in the party. This stature of Mr Inonu does not stem from the fact that he is the leader of the party. With his abilities, character, personality, approach and actions, Mr Inonu has presented us with a personality which we are unable to replace. I believe that the party has a strong need for such a personality. Mr Inonu is a leader who has the opportunity to make all segments of the party to work effectively for the future. We need such a leader. The problem is definitely not related to the leadership of the party. The problem is related to the headquarters.

We do not have the right or the luxury to give up the contributions of the party leader to the party. But we also need an effective general headquarters which will serve the leader of the party. I believe that if we can set up a headquarters which is compatible with Mr Inonu's personality, we can have a democratic movement which can eliminate all the artificial divisions in the party and which can embrace all members of the party, and we can restore the party's growth and strength.

[3 Nov 86 p 7]

[Text] Ankara--Deniz Baykal explained how the structural changes he has in mind for the SDPP should proceed. According to Baykal, it is difficult to resolve the problem by changes--at present or in the future--in the Central Decision and Administrative Council [CDAC]. Baykal, who describes the party's central administration as "headquarters," favors the assignment of greater responsibilities to the party's secretary general through changes in the party bylaws. He is proposing an arrangement identical to the organization of the defunct RPP.

Baykal, who insisted that there is no problem over the party leadership, elaborated on his personal position on this issue.

The questions and answers on this issue were as follows:

[Question] You attribute the party's loss of voter support to the absence of an effective headquarters. What mistakes were made in the central administration, or the headquarters as you call it?

Two Causes of Failure

Baykal: Many reasons have been given for our failure at the elections. I think that two general categories have been dominant among these reasons. The first category concerns day-to-day administrative implementations and the second group is related to medium-term political strategy.

Both of these are problems of the headquarters. The mistakes made in day-to-day administrative implementations manifested themselves in the selection of the candidates and the failure to organize and run the election campaign. The CDAC approached the task of selecting the candidates with a bureaucratic and disorganized mentality. The CDAC did not consider itself obligated to do

everything to win the elections and thought that it could fulfill its obligations by selecting candidates from amongst only those who submitted petitions.

Like a government office, the CDAC sufficed with only responding to petitions. We were the only party which disclosed its candidates several days earlier than required because that was when the CDAC meeting was scheduled. We gave the other parties the chance to select their candidates on the basis of their knowledge of our candidates. Having no guidance from the headquarters, the 33 members of the CDAC voted on candidates they had never met for provinces they had never visited. The views of CDAC members who visited election areas were sometimes taken into consideration and sometimes not. Moreover, these evaluations did not go beyond personal preferences for candidates who had submitted petitions.

I do not think that such an attitude can be tolerated in the name of democracy. It is clear that decisions need to be based on serious work, scrutiny and evaluation by the headquarters in order to be valid and effective.

These shortcomings resulted in the implementation of a candidate selection system whose rationales and criteria were not very clear and which was based on disordered and random choices.

I believe that today we can all see clearly that had we acted with a different mentality and used different standards and had we taken into account everything that needs to be considered in an election we could have achieved a different outcome.

Propaganda Mistakes

We also made serious mistakes with regard to propaganda. We lacked well-defined central planning. There was no central planning about where and how we should work, what basic issues we should emphasize and what we should say about ourselves and our opponents. We made unprecedented risque moves such as holding two rallies in the same province on the same day. We attempted to hold two large party rallies in Manisa on the same day. Moreover, one of those rallies coincided with Mr Demirel's only rally in that province that day. It became clear during the election campaign that we did not prepare our propaganda contacts and methods seriously.

I believe that it became obvious after the fact that if these day-to-day administrative mistakes had not been made we would have had the chance to win a larger share of the vote. The question we must ask ourselves is the following: Why have these day-to-day administrative mistakes been made? In my opinion, these mistakes were not the result of personal misjudgments or weaknesses. What we have is not a random error but a systematic error condition. We have a situation which goes beyond the personal capabilities of our colleagues on the CDAC and which is not related to them.

[Question] You enumerated the mistakes. What steps are you proposing to prevent their repetition in the future?

Baykal: The problem is not related to the personal capabilities of our colleagues on the CDAC. Consequently, it would not be right to seek a solution by replacing some of our colleagues on the CDAC or by changing their responsibilities.

As far as I can see, the problem is an structural one. It is related to making the party's central decision making process more effective. It has been observed that the party's central decision making process is in a state of disarray and that the incidents we have described as mistakes are the result of that situation. Therefore, the solution to the problem must be sought in a structural change which will make the central decision making process more effective.

[Question] What are the changes that can be made?

RPP Model Must be Restored

Baykal: On this issue, there is no need for new quests or new models. We already have a tried and proven model which has helped a social democratic movement to rise to power. That model is the RPP model which was based on the hierarchy of party assembly, central executive council, secretary general and party leader. In the past we solved many of our problems with this model and we succeeded in making the party function effectively. Consequently, the first step that must be taken is to discuss and to decide on this issue at the scheduled Bylaw Congress of the party.

The party needs a headquarters. There is an urgent need for a new structure which will be able to conduct tactical work, to examine, to debate and to make decisions on problems, solutions and available options. I believe that the problems we have described as day-to-day administrative mistakes can only be solved by such a structural change. I have emphasized these mistakes in order to underscore the need for such a solution. I believe that our colleagues serving on the CDAC will score better successes if they are given the chance to work in the structure I am proposing.

What is at issue is not personal but structural problems. We must change the party's central administrative structure to make it more effective. Currently, many issues have no one to look after them.. There are many issues over which you cannot hold someone accountable. Many of our colleagues serving on the CDAC have been complaining about these incidents. Preferences are not being turned into decisions. Decisions are not being effectively executed. We cannot be effective without overcoming this state of disarray and murkiness in the party administration.

An army which does not have an effective headquarters will lose battles; a company which does not have an effective headquarters will lose money; a newspaper which does not have an effective headquarters will lose readership. Similarly, a party which does not have effective headquarters will lose votes. The issue is that simple. A political party is in a way an administrative structure. This administrative structure must work effectively. It must be able to accurately foresee the problems it may face, to find solutions with all the possible options, to make correct choices and to execute its decisions properly.

Let Us not Create Personal Quarrels

It has been seen that our present structure does not allow this. Consequently, let us not waste our time on the wrong issues; let us not accuse each other. Let us not try to create personal quarrels on the back of the elections. I believe that what is needed is structural change and that we should turn our attention and energies to that issue.

[Question] What type of an arrangement is possible, in your opinion, with regard to some of the provisions of the Political Parties Law?

Baykal: My view, which is open to discussion, on that issue is as follows:

The Political Parties Law that is currently in force states that the central decision and the executive councils can be separated and that if any party decides to separate them then both organs must be elected by the party congress. This is one of the most objectionable provisions of the Political Parties Law. The requirement that both the central decision and the executive organs have to be elected by the party congress sets the stage for conflict between the two organs. If the central decision and the executive organs will be elected by the party congress, the central decision organ will be deprived of the right to elect and dismiss members of the executive organ, and the two organs will be expected to work as related independent bodies. That would not be a sound arrangement.

That is why we have not been able to implement our party assembly model so far. Our previous congress did not want to take that risk--with justification. This is an important problem. If these two organs are both elected by the congress then their areas of responsibility would overlap. The central decision organ would not be able to perform its expected function of guiding and regulating the executive organ because it would not have the power to elect or to dismiss members of the executive organ. The issue of how to overcome this problem needs to be given serious thought.

I have in my mind the following model: The party congress can elect a party assembly made up of 40 to 50 members. Thus, the congress can elect the CDAC, which we can describe as the party assembly and which incorporates in itself both the central decision and executive functions. This principal organ can then elect a secretary general from among its members.

I would also like to express my views regarding the secretary general. The secretary general of the party must be strong, but his strength must not come from his election by the party congress. If a secretary general is elected by the party congress, then that would set the stage for a clash between the secretary general and the party leader. The party must have only two organs elected by the party congress: the party leader and the CDAC or the party assembly.

A Form of Standing Committee

I would not propose that the secretary general be elected by the party congress. I propose that only the CDAC, other than the party leader, be

elected by the party congress. I propose that the CDAC elect a secretary general from among its members and charge a committee--what the British call a "standing committee"--with the task of making preparations, taking initiatives, evaluating situations and creating options on behalf of the CDAC but without relinquishing the CDAC's functions to the committee. I think that such a standing committee should be made up of 10 to 15 members and be charged with working at the party 24 hours a day together with the secretary general. The provisions of the law do not bar such an arrangement. Because such a committee would not have the power to make legal decisions on behalf of the CDAC.

Decisions which should be taken by the CDAC, such as dismissing party officials in provincial organizations, selecting the party candidates and preparing the budget, will still be made by the CDAC. We do not need to shift these functions to a different and smaller body.

What we need is an operational system which will have the responsibility to prepare the decisions, to set the options, to work harmoniously with the CDAC, to implement the will of the majority in the CDAC and to maintain contact by telephone or otherwise with the provinces and the districts 24 hours a day. Legal decision-making powers will remain in the CDAC's hands. The CDAC will charge about 15 of its members with running day-to-day business, to generate policies, to make basic preparations and to create options. The secretary general, who will also be chosen from among the members of the CDAC, will have the responsibility to lead this team in this work. Of course, this is an issue that should be examined and decided upon in the light of the provisions of the Political Parties Law and the needs of the party. I see a need for effectiveness and the formation of a nucleus which will facilitate responsible and effective work by the central administration. I am hoping that such a nucleus may emerge in the model I have described.

[Question] What do you mean by "medium-term political strategy problem"?

Baykal: I believe that when our party entered these recent elections, its point of departure was the observation that the Turkish electorate was in a state of political weariness, apathy and stagnation in the post-12 September period. We took part in the elections with the understanding that there was a prevalent atmosphere of depoliticization, that is a political apathy which some circles have been working very hard to realize. We thought that the Turkish people are tired and weary of political debates and that we could succeed better by taking a calmer, softer and more mature approach. We entered the election campaign with a considerably low political profile, partly out of temperament and partly because of the diagnosis of the situation I just described. We were not alone in that attitude; the MP also appeared to have chosen that course within its own framework. The MP planned its election campaign more carefully and with a better evaluation of its political interests and took an approach which excluded political debates. It ran its campaign with a soft and warm approach by playing songs such as "My bee, honey and honeycomb" and "I have brought greetings" on its buses, by handing out balloons to children, by creating entertaining scenes, by singing joyous songs, by greeting everyone in the street and by entering houses on even the narrowest streets.

While showing off this outward appearance it conveyed messages such as "we will settle your problems," "if you need water we will bring it," "we will build roads" and "we will bring electricity."

High Level of Politicization

However, the results of these elections showed that the approach based on the diagnosis of depoliticization misjudged the level of politicization the Turkish people have attained today. Our experience has shown that politicization dominates the Turkish people to an extent far beyond what we and the MP predicted and that the voters cast their vote with a deep sense of political preference. I believe that this is an important lesson we should learn.

Party Must First Be Politicized

In other words, we must first politicize our party. In these elections, we promoted ourselves to the Turkish people using methods similar to those used by classic commercials trying to sell various products which are not very different from each other. We tried to win votes by repeating the message, "give your vote to the SDPP." We told the voters, "if you are happy vote for Ozal, otherwise vote for us." All these approaches excluded political evaluations.

We neglected our obligation to educate the people on the reasons for their dissatisfaction with Ozal. We failed to tell them: "If you are disenchanted with Ozal, it is not because of Ozal's personality or character. It is because of Ozal's program. Ozal's program is not his alone. It is also the program of Mr Demirel and the Correct Way Party [CWP]. The solution to your problems lies in another program. We are seeking votes for that program."

Ozal and Demirel Left Unchallenged

Because of our preference for such a low political profile campaign, Mr Ozal and Mr Demirel went unchallenged. Mr Demirel is a politician who has been in power for many years. When we neglected our obligation to educate those dissatisfied with Ozal about who they should vote for, some people naturally thought themselves justified to vote for the CWP and Mr Demirel's person. On certain occasions, our spokesmen even said: "Vote for anyone you wish as long as you do not vote for Ozal." We could not underscore adequately that not voting for Ozal is opposition to his program. I am saying all these in order to point out our erroneous approach.

Social Democratic Perspective

The conclusion that comes out of this situation is as follows: The Turkish people have achieved a considerably high level of politicization. For a social democratic party, this is an encouraging rather than disheartening development. In order to maintain this level of politicization, and indeed to advance it, we must politicize the party and help the politicization of the

Turkish people. All these must reinforce our sense of obligation to develop a social democratic perspective and to make the Turkish people endorse this perspective.

And this brings us to problems of program and the program congress. I believe that we can help the social democratic movement to recover, raise it to the level of effectiveness it deserves and overcome our second category problems by emphasizing the program issue and by infusing a social democratic perspective into the political domain. I believe that the program congress should include these issues on its agenda.

[Question] Mr Baykal, as we discuss these problems the first issue that naturally comes to mind is the persistent speculation about Deniz Baykal's position in the party. Deniz Baykal's position in the party has been continuously scrutinized since you began rising in the party in 1983. I believe that the ban on your activities will be lifted in 1987 and you will be eligible to become a party administrator. If such a legislative change occurs, what will your position be? What can you do, or what do you think about your position? You are frequently presented as the No. 2 man in the party. Can you elucidate these issues?

Baykal: Firstly, I would like everyone to understand very well what I am doing. The results of the by-elections have shown that our party is experiencing a troubled period. If we do not endorse serious new approaches, if we cannot make the changes needed for the solution of the problem, if we remain complacent and if we take a fatalistic attitude thinking that developments outside our control can determine our destiny, then I think that the party can expect the future to be more troubled and crisis-ridden.

I Consider Myself Duty Bound

The most important duty of each member of a party which has reached such a critical juncture is to think about what he should do to enable his party to overcome its crisis. At the moment, not only I but all members of the party are in such a quest. Everybody is thinking: What can we do to rescue the party from this situation, to help it recover itself and to restore its growth pattern? We all have a primary obligation to find remedies. We all have a primary obligation to state candidly how we see the issues, to offer solutions and remedies to resolve the problems and to implement those solutions. As a member of my party, I am trying to state how I see the situation of my party.

I am trying to find a way out. It is not only myself; everyone is looking for a solution. We are all obligated to do that. This is a collective quest. In the course of this quest, people who have differed and argued with each other in the past are examining the issue together with the same sense of responsibility. They are pursuing their well-intentioned quests to help the party recover. This is a pleasing situation.

I see the issue from this perspective, and I am saying that a structural change is needed in the central decision making process of our party. If we do that we can become more effective. We must change the way we view politics, we must politicize the party, we must develop a social democratic

perspective, we must take our problems seriously and we must institute changes which will convey meaningful and social democratic messages to the Turkish people and which will generate policies. I can state without hesitation that if we make such changes in the present cadres we can take major strides toward the solution of the party's problems.

As you mentioned earlier, I am well aware of my personal position. I am barred from taking part in the party's administration for at least a year. However, that cannot prevent me from thinking about the party's problems and working for the development of the party. I consider myself linked to these problems and obligated to resolve them. In our country, people generally view the future with concepts from the past. Concepts which were controversial even in the political context of 8 to 10 years ago are being used as key concepts for present political climates which face a very different set of problems.

Differences From RPP Era

I am sure you realize that I am trying to refer to the problem of factionalism. Today, the party is facing serious problems. The political conditions created within the framework of intraparty rivalries for domination and service 10 years ago are radically different from the party's present problems which stem from our party's loss of its standing in the political domain.

It is this difference that has induced people who had previously disagreed and argued with each other to work together on the problem with a shared sense of responsibility. Consequently, I would like to give the following cautionary advice: It would be fundamentally wrong to interpret our present political climate and its debates as an extension of the disputes and divisions seen in the RPP in the past. The problems and the needs are different today. Naturally, the approaches to the problems will also be different. And they are in fact different. Consequently, I can state with confidence that I am not pursuing personal motives.

I Have No Ambitions for Myself

I have no ambitions or wishes for myself. I want to help the party extricate itself from its crisis. To that end, I am trying to use all my abilities, knowledge and analysis to promote the solutions I am able to find. The solution I am proposing is not one that will enable me to play a dominant role in the party. The issue is not a personal matter of Deniz's, Ahmet's or Mehmet's.

I am saying that the party needs effective work at its headquarters. We have many people who can conduct this effective work at the headquarters. I have no doubt that once we incorporate this solution that will meet our needs in our bylaws there will be many people who will do the effective work needed by the party. I believe that it is very natural that such people exist. The problem is not whether I or someone else should be in a certain position. What is at issue is giving the social democratic movement an effective headquarters and ensuring that decisions and policies are developed to enable the party to succeed.

No Question of Baykalism

Once the structure needed to realize this is established the problem will be largely resolved.

Today, the SDPP has neither a problem concerning Baykal nor something called Baykalism. As I stated before, I do not consider myself primarily a Baykalist. I do not think that any social democrat would accept following a single individual. As responsible people, we can discuss the country's problems, we may or may not reach an identity of views with certain people and we can attempt to develop our party within this framework.

I have not initiated any moves with regard to my personal position in the party's present crisis. I told you about my views. I have no objections to the immediate implementation of those views. In other words, I am not insisting that the solution of the party's problems be delayed until the political restrictions on me are lifted. I categorically deny this mentality, which many people have attributed to me. I believe that the party would benefit if it moved toward this type of a solution. I am certain that if the party moves toward such a solution there will be an adequate number of colleagues who will perform the needed effective work. As my party implements this work I am prepared to assist with all my strength all colleagues in positions of responsibility.

Let no one doubt this. I do not have to be in a certain position in order to serve the party. I have held a party office for the last 6 years. However, I have felt obligated to consider myself a social democrat for every day of those 6 years. This situation may go on for several more years, but I do not think that that is important. The problem is not whether I or someone else should be in a certain position. The problem concerns the effective operation of the party.

[Question] Personal situations may change; there may come a day when you might be eligible to accept responsibilities. You would probably not turn it down.

Baykal: I have no ambitions for an office for myself. However, I have never ran away from responsibilities. I would never run away from any duty that the party may require of me.

[Question] After the party congresses on bylaws and the party program, there will be a grand congress. What would you propose to eliminate arguments about the old and the new and factionalism and to preserve the integrity of the party?

Baykal: We must overcome all artificial divisions in the party. We must embrace all members of the party with a democratic approach. Today the social democratic movement has no right to exclude anybody. We are not in a position to do that. We are obligated to bring together all enthusiastic and dynamic

people who may contribute to the party with a democratic approach and a sense of full solidarity. We have been hurt by divisions over old and new, Populist Party and Social Democracy Party, RPP and non-RPP. There are no serious or justifiable causes for these divisions.

I believe that we can overcome our "bad luck" only by such an approach.

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TURK TELLS STORY OF REPRESSION IN BULGARIA

Istanbul HURRIYET in Turkish 4 Nov 86 pp 3,19

[Text] Munich--Uzeyir Basim, or Alben Denisov as he has been forced to call himself since 22 December 1984, is a Turkish teacher who managed to flee from Bulgaria to the FRG after an adventuresome and perilous journey. Basim told HURRIYET about the repressions our kinsmen are subjected to in the country he has left behind.

Uzeyir Rasim, 36, worked as a geography teacher in Bulgaria. He told us about the developments since 1969 when the "Bulgarization" campaign began following a decision by the Bulgarian communist party "to create a homogeneous Bulgarian nation to protect socialism from the influence of Western ideologies."

Rasim, who was born in 1950 in the Hotasli village near Plovdiv, recounted the story of his escape which involved leaving his family behind and taking many risks:

"Our discomfort grew steadily because of the Bulgarization campaign. On the night of 22 December 1984 we were woken up by some noise. The streets teemed with police cars, and all access points to the streets were blocked. They started knocking on doors at sunrise; the Turks were taken outside and taken to schoolhouses. They asked us to sign prepared 'voluntary declarations' stating 'I want to change my name.' Those who objected were forced to sign. In addition, they asked us to forget our language, religion and all of our customs. I, too, was forced to sign the declaration, and my name was changed to Alben Denisov. However, I had decided to flee. When I told them that I wanted to go to East Germany as a tourist they turned down my application because I was not working. Eventually, I managed to obtain an exit visa and travelled to East Germany. From there I went to Czechoslovakia and then to Hungary. There I boarded a Romanian TIR [International Highway Transport] truck with the help of two Turkish drivers and managed to reach Munich. I applied to the FRG government as a refugee. My application will be approved 6 months after it was filed because I am coming from the Eastern Bloc, and I will be able to work. I came to HURRIYET because my primary goal is to tell the world about what is being done to us."

Bulgarization Campaign

Rasim, who came to HURRIYET's Munich bureau with two long articles written in Bulgarian and Turkish, said in brief:

"There are 2.5 million Turks, 200,000 Yugoslavs of Macedonian origin and 300,000 Pomacs in Bulgaria. Starting in 1969, the rights of the minorities began to be restricted. First the Macedonians were made to change their names, and it was written in their identity cards that they are Bulgarians. The next year, it was the turn of the Pomacs who are Muslim and who use Turkish names. Eventually, they began pressuring the Turkish minority to change their names. This pressure intensified in 1981 and 1982. Now it is 1986 and the Bulgarization campaign has come to an end."

Rasim also spoke about the steps taken to prevent the campaign from being reported abroad:

—Travel from Turkey was barred on the pretext of an epidemic.

—Turkish tourists were turned back on the pretext that hotels were full.

—Turkish vehicles transiting through Bulgaria were tightly supervised to prevent contacts with Bulgarian Turks.

—All contacts between Bulgarian Turks and their relatives in Turkey and elsewhere were cut. Letters were not delivered and telephone conversations were not allowed.

Rasim added:

"The Bulgarization campaign was first implemented in the villages of Kircaali and Haskova and later on Turkish populations in large urban centers. Those who refused to sign the voluntary declaration forms were to Belen, which is a type of labor camp, and were forced to perform heavy labor. They were fired from their jobs, were denied admission into hospitals and were barred from hiring lawyers. The Bulgarian press and radio remained silent during the campaign, journalists were not allowed into the areas where the campaign was implemented, and the BBC correspondent was given false information. However, when, despite all these measures, protests were voiced by Turkey and other countries, they denied the charges."

Stating that every step was taken to assimilate Bulgarian Turks, Rasim enumerated at the end of his unbelievable story the guidelines and prohibitions the Bulgarians used in the course of their assimilation campaign:

—Turks are barred from speaking Turkish even in their own homes. Those who disobey the ban are fined 30 to 50 levas (average salaries are 150 to 200 levas a month).

—Playing Turkish and oriental music is forbidden. Because of the ban, Turkish music has not been played in weddings for the last 3 years.

--The only mosques that are open for worship are in towns visited by tourists. However, only the elderly can go to the mosque and only on Fridays.

--Turkish dead are buried in common graveyards without religious rites.

--Circumcision is forbidden. Those who disobey the ban are sentenced to 5 years in prison.

--Turkish divisions of theaters have been shut down.

Rasim said that in an effort to mislead the world public, the Bulgarians recently announced that senior Turkish officials voluntarily changed their names and that, however, these individuals signed the declaration forms under pressure and for fear of losing their jobs. Rasim added that he is prepared to repeat his story to anyone anywhere in the world.

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POLL RESULTS SHOW CONSERVATIVE FEELINGS DEEPLY INGRAINED

Athens ENA in Greek 8 Jan 87 pp 45-46

/Report by Alexandros Kasimatis/

/Text/ Have you ever asked yourself how sincerely we want to change daily reality? Well, it is time that we acknowledge it: we are conservatives! Only two in 10 Greeks -- indeed, young Greeks-- seek at present a freer form of life. The remainder call for greater respect for customs and traditions. We face every innovation with hesitation but --fortunately-- we remain faithful to precious values. To equality, democracy, man....

For our society to become better there must be greater respect for laws and democracy. The Greek people also want all inequalities among citizens to be eradicated. We demand greater attachment to traditions, customs and family ties. However --with the exception of young people-- they do not seek greater freedom and independence in the way they live their lives.

These are the conclusions of the survey conducted exclusively for ENA by the Metrix Market Studies and Research Center. The survey has to do with the opinions of the modern Greek on improvement of our society. The survey included men and women between the ages of 15 and 64 from Athens, Salonica and other municipalities with a population of more than 10,000. Interviews were conducted in the homes of those queried by Metrix specialists.

Specifically, the question was asked: What do you consider necessary to be done in our society today? That there be greater respect for traditions and customs in our country, for family and work? That there be greater respect for laws, democracy and man? That there be greater freedom and independence in man's way of living? That every type of inequality among mankind be eliminated?

From the answers given, three opinions garnered almost the same percentage (27-28 percent), while a fourth (the one that asked for more freedom in the way of life) just managed to reach 14 percent!

Twenty-seven percent of the overall population agrees with respect for traditions, customs, family and work. The individuals who support this opinion are a majority of those over 35 years of age who have completed grade school or a few years of secondary school. The smallest percentage (11 percent) was obtained by young people and those with higher education (16 percent). It is characteristic that

the percentage of people who support this view gradually increases in relation to the age of those queried. Young people do not believe in the need for more respect for traditions, customs, family and work, contrary to those over 35 years of age.

The elimination of inequalities among man and respect for laws, democracy and man are the opinions that got the greatest percentages, namely 28 percent for each. The first is passionately supported by persons between 15 and 34 years of age, while the percentage decreases among people over those ages. This idea is also held by those who have a satisfactory level of education, contrary to those with lesser education.

The same holds true for the second opinion, namely respect for law, mankind and democracy. Once again, young people and the educated are those who agree most. Specifically, 32 percent of the people between 25 and 34 years of age agree, as do 30 percent of secondary school graduates and 31 percent of university graduates.

The view regarding more freedom and independence in leading one's life received the smallest percentage: the overall percentage was just 14 percent, while the remaining question received percentages from 27 to 28 percent. The need for greater independence and freedom was felt by individuals up to the age of 24, while relative percentages drop greatly with age (12 percent) reaching 7 percent in the category of those between 45 and 64 years of age!

From the conclusions drawn from the survey it follows that Greek society is divided into two main categories: the first (55 percent) includes people who call for greater respect for traditions, customs, family, law, democracy and man. In this group middle age people and those with higher education predominate with 47 percent.

In the second category are those who call for greater freedom and independence as well as elimination of inequalities. Here too is the greatest percentage of young people as well as one big segment of education persons (48 percent).

Trends in our society, therefore, seem to remain unchanged despite the development that is changing our way of living: young people are calling for still more freedom. The middle aged are steadily turning to tradition, while the more educated are divided, defending both positions.

WHAT THE GREEK PEOPLE CALL FOR

	Total	Age			
		15-24	25-34	35-44	45-64
	%	%	%	%	%
Greater respect for tradition, customs, family and work	27	11	16	31	40
Greater respect for law, democracy and man	28	24	32	29	27
More freedom and independence in the way one leads his life	14	27	12	12	7
Elimination of every kind of inequality among men	28	36	36	24	21
I don't know; I won't answer	4	1	3	4	5

VALUES IN RELATION TO EDUCATION

	Total	Grade School	Second. School (little)	Junior & Senior Second. Schools	Advanced Education
	%	%	%	%	%
Greater respect for tradition, customs, family and work	27	38	26	18	16
Greater respect for law, democracy and man	28	26	25	30	31
More freedom and independence in the way one leads one's life	14	10	19	16	13
Elimination of every kind of inequality among men	28	21	27	33	35
I don't know; I won't answer	4	4	3	2	5

YOUTHS ON TRIAL IN UNIVERSITY RULES PROTEST

Istanbul CUMHURİYET in Turkish 4 Nov 86 p 11

[Text] Ankara—The trial continued yesterday of students who came from Izmir to Ankara on foot and by bus to submit a petition to the Speaker of the TGNA protesting "the blaming of the youth" and the "implementations of YOK [Higher Education Council]."

In the trial, which was transferred from the 3d Court of First Instance in Izmir to the 10th Court of First Instance in Ankara, eight students of the School of Economics of 9 September University were charged with violating the laws on meetings and demonstrations and state of emergency. While the prosecutor stated that the students did not obtain permission from the Ankara Governor's Office for their demonstration march, Mehmet Deniz Ozbas, one of the student defendants, said: "I went to Ankara on foot just like someone travelling from Ankara to Istanbul. I decided to do that on my own and I walked in my own behalf."

Explaining that their petition was submitted because "the youth are being made to foot the bill for 12 September" and that "the universities are being blamed," Ozbas continued: "If the universities are guilty, they are guilty not because they have done something but because they have not done anything. The implementations of YOK have created chaos. The youth is a form of capital, and it is being used recklessly."

Ibrahim Kasaba, another student defendant, said: "I did not engage in a demonstration march. I went to Ankara on foot and without using any transportation means to submit a petition." Abdurrahman Ozturk responded to the charge of engaging in a group march by saying: "We delivered a petition to the speaker of the TGNA and we talked with him. We did not march as a group; there were at least 50 kilometers separating us from each other."

The other defendants, Mustafa Emet, H. Tamer Karahan, Vefa Cabuk, Kadir Balim and Meral Esen, said in their testimony that they had exercised a constitutional right.

The trial was adjourned to another day to enable the court to obtain the outcome of another lawsuit brought against the defendants in Polatli and to examine the Ankara Governor Office's state of emergency decree.

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COLUMNIST SOUNDS TOCSIN OVER SECRECY OF PENAL CODE REVISIONS

Istanbul CUMHURİYET in Turkish 4 Nov 86 p 3

["The World Today" column by Ali Sirmen: "A Warning"]

[Text] Last Saturday, I attended a panel discussion on the new Draft Penal Code organized by the Human Rights Association in the Ortakoy Cultural Center. Anyone who attends such a gathering is inevitably saddened by what the Turkish nation has to debate in 1986. However, there is another side to the issue. The meeting was interesting because the speakers examined the issues rationally and in detail without falling into the trap of shouting slogans and exaggerated emotionalism. In addition, the young audience, who filled the meeting hall up to the stairs and the entrances, followed the discussions attentively for 3 and 1/2 hours. The questions that were asked after the speeches showed how much our country has progressed despite all the pressures and how worthy our people are.

Today, there is no one who does not know or see that Turkey's present political system is not democracy. In Latin terms, we have a "quasi democratie" according to optimists, and we are struggling with a "pseudo democratie" according to pessimists--or more accurately realists.

The spirit of the 1982 Constitution which restricts all types of freedom is the best indication of our predicament.

In a speech at the panel meeting, Professor Bahri Savci gave a good description of the mentality that is at the root of the system implemented in our country. It is true that this mentality sees the Turkish citizen as evil and guilty from the moment he is born, and because it assumes that the Turkish society is weaker than other modern societies, that it can collapse easily and that it cannot protect itself, it believes that society needs a guardian or a custodian. When the issues are viewed this way, the result is naturally the implementations we have today.

Professor Emeritus Cetin Ozek, an authority on penal law, said during his discussion of the structure of the new Draft Penal Code that it is impossible to expect the new penal code to have a structure compatible with positive democracy given the prevalent mentality of approach to issues and the provisions of the 1982 Constitution. Many people in the audience laughed bitterly when Ozek noted that we owe our current penal code, which has been in

force for many years, to the fact that Mahmut Esat Bozkurt Bey, who spoke French, chanced upon a French translation of the Italian Penal Code while he was walking down Yuksekkaldirim.

Criminal lawyer Turgut Kazan scrutinized the parts of the draft code that could be obtained and explained how the new draft creates new offenses (such as acts against national interests) without specifying limits that violate the fundamental principles of penal law. He stated that the stipulation of use of force and violence has been removed from Article 146 making the said article more dangerous and that penalties for crimes of thought have been made more severe let alone eliminated. Kazan also explained how the person heading the commission which prepared the draft completely overhauled the part of the code on crimes against the state in order to rescue his son-in-law as well as rightist activists.

The conclusion that emerges from this very important panel meeting on Saturday is that if this draft code, which has been prepared in utmost secrecy, becomes law, we will be pushed away from democracy further than where we already are. In other words, if this draft becomes law we will miss even these days.

Unfortunately, the panel meeting where a very important matter was discussed was not reported in any newspaper other than CUMHURİYET. Those who read our paper's report, which was in the form of a caption under a picture, did not have enough information to grasp the importance of the issue. Indeed, Turgut Kazan broached a very important issue. In his remarks, Kazan warned:

"Penal laws are in a sense more important than constitutions. Because peasants, farmers, workers, civil servants, students, youths, intellectuals, writers, painters, journalists, artists, women, men, the young and the old can be tried by these laws and be occasionally deprived of their freedoms. There is no democratic country in the world which would conduct a work as important as the amendment of the penal code behind closed doors and in secrecy. The rule of openness also applies to the work of a commission. In Turkey, the work to draft a new penal code, which carries very objectionable provisions from a perspective of basic rights and freedoms, democracy and human rights judging from the parts we have been able to obtain, is being carried out in secrecy and is kept from the public. It is everyone's obligation to petition the Prime Minister and the Minister of Justice immediately to have the draft opened to public debate. Moreover, the Correct Way Party [CWP] and the Social Democratic Populist Party [SDPP] which have taken on the responsibility of acting as the opposition in the parliament must be alerted to act on this issue. The SDPP, which is the main opposition party, must be alerted in particular and it must begin work on this issue without delay. Because I am afraid that if action is not taken and the issue is not addressed now, the SDPP will be caught unprepared when the draft law comes before parliament and will once again be unable to do anything."

I wrote these lines believing that it is my responsibility as a journalist to convey to the public what I consider to be very important views and a warning which concern a vital matter.

I hope they will have an effect.

SDP PRESS ORGAN COMMENTS ON 1987 BUDGET

Copenhagen AKTUELT in Danish 19 Dec 86 p 9

[Editorial: "No Drama"]

[Text] Denmark has its 1987 budget. The Radical Liberals and the government parties had assured themselves in advance of a majority and the cooperation is so good that Finance Minister Palle Simonsen has suggested continuing it for the 1988 budget!

The budget is normally undramatic, an account of the nation's transactions. It is exceptional when the budget bill produces fireworks. It did so in 1929 when the Conservatives abandoned the Liberals' budget bill and set off an election and a political shift. There was less political effect but a dramatic debate ensued when Anker Jorgensen and his Social Democratic group refused to vote for one of Poul Schluter's proposed budgets.

That was a demonstration. The budget is affected by proposed amendments and if the opposition cannot get its amendments approved the government has its majority. In that situation it is good political form to vote for the entire bill--on the basis of the view that the nation should be able to meet its payroll and keep its many operations going!

This year there was no drama, but that does not mean there is nothing dramatic about the government's economic policy! The balance of payments deficit is at a record level, which means that new loans must be taken out, more foreign debt incurred, new interest burdens imposed and new installment payments added. Denmark's competitiveness has weakened and the tax burden has set a record. The budget is mainly a technical indication of this. The drama lies underneath, in the government's economic policy. There is good reason to vote against it, but not in the context of the budget debate.

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CSO: 3613/39

GOVERNMENT'S DILEMMA ON ALUMINA PLANT

Athens PONDIKI in Greek 23 Jan 87 p 26

/Text/ Things are becoming more and more difficult as far as the construction of the alumina plant (located near Itea) with the cooperation of the Soviet Union is concerned. Not only do we have more and more things to sign and then find that there is yet another thing to sign and now even the EEC has joined in the dance and is against its being built!

More to the point, on Tuesday, 13 January, French Euro-deputy Pierre Latelad (it is pure coincidence that the Pechinay firm is French) stood up in the Euro-parliament and asked the EEC Committee to take measures to protect the Delphi region from destruction that would ensue from the opening of the bauxite quarries and the construction of the alumina plant with financing by the Greek Government. Answering him was EEC committee member Carlos Ripa di Meana. He said, "The Committee can only condemn in the strongest way possible any destruction that the holy Delphi site may suffer."

Thus, pressures are increasing. Every American journalist who comes here writes about the destruction of the oracle at Delphi by the Soviet alumina plant. And for that reason the Greek Government is thinking and re-thinking the matter.

In the meantime, the Soviets are passionately promoting the natural gas issue and they are waiting, as it seems, for something to occur, for some signing, for giving a promise when Gorbachev comes to Athens. It is true that the matter is advantageous because in this way we could meet our great needs in energy. Besides, West European governments and Turkey are not stupid in having signed similar agreements with the Soviet Union so as not to spend fortunes for petroleum or to avoid as much as possible nuclear energy plants.

In fact, one hears that the Soviets have also found partners who will undertake construction of the infrastructure so that we can obtain and make use of their natural gas.

The problem for the Greek government is twofold at this time. On the one hand, it must quickly make a decision because the gas pipeline is at this time being built in Bulgaria. It will have a given diameter if only Turkey is to be supplied but if Greece were to be supplied too it would, of course, have a bigger diameter. On the other hand, the purchase of natural gas from the Soviet Union is associated with the construction of the alumina plant because otherwise we would not be able to pay for it. Today, however, the Greek Government must persuade the West not to oppose construction of the plant and also make a decision quickly on the gas.

BRIEFS

COOPERATION WITH ALBANIA--A meeting between DEI /Public Power Corporation/ representatives and the corresponding Albanian authority is scheduled to take place in the coming days to discuss an agreement on the sale and exchange of electric power between the two sides. The matter was discussed during yesterday's meeting between Minister of Industry A. Peponis and Albanian Minister of Foreign Trade Shane Korbeci. As was made known, the discussion concerned the purchase from Albania of 400-500 gigawatts of electric power in 1987 with the price to be determined in two 6-month periods. In the meantime, during yesterday's meeting between the two ministers Greece requested and obtained permission for making the selection of the transporters of imported asphalt come within the purview of the Greek state instead of following the contrary policy prevalent until now. Also discussed was a Greek proposal for the export of electrical equipment as well as the participation by Greece in energy planning studies. /Text/ /Athens TA NEA in Greek 15 Jan 87 p 20/ 5671

CSO: 3521/59

DETAILS ON IMPORTS, EXPORTS, SPECIFIC TRANSACTIONS

Lisbon O DIA in Portuguese 27 Dec 86 p 9

[Text] At the end of the third quarter of this year, Portugal's foreign trade presented a negative balance of 233.9 million contos, which means that it was 11.6 percent lower than that for the same period in 1985.

National Statistical Institute (INE) figures indicate that at the end of last September, the value of exports was 9.5 percent higher than that for the same period in 1985, amounting to 778.7 million contos (compared to 711.2 million in 1985).

Imports amounted to 1,012.5 million contos, that is, 3.7 percent higher than for the same period in 1985. The growth rate of our sales abroad in terms of value was, thus less than that for the first 9 months of 1985, when they increased 16 percent.

At the end of the third quarter of this year, the rate of coverage of imports by exports was 76.9 percent, 4 percentage points higher than that estimated for the same period in 1985, and 12.5 percentage points higher than the estimate for the same period in 1984. In terms of dollars, exports showed a growth of 19.8 percent, while imports increased 26.6 percent, which caused a worsening of the trade deficit of about 1.6 percent.

Deficit in Exchange With EEC

Our greatest trade exchange is with the EEC. In the first 9 months of 1986, Portugal imported from that zone merchandise valued at 578.8 million contos (57.2 percent of total purchases abroad), that is, 32 percent more than for the same period in 1985. In exchange, Portugal exported to the Common Market 67.6 percent of its total sales abroad (526.7 million contos), that is, 11.1 percent more than for the same period last year.

Trade exchange with the EEC registered a decline, inasmuch as it went from a surplus of 1.8 million contos in 1985 to a deficit of 52 million contos in 1986. This inversion of the balance was due to the negative trade balance with Spain (from 36.3 million contos in 1985 to 56 million in 1986); with Italy (from 20.7 million contos in 1985 to 48.2 million in 1986); and with the Federal Republic of Germany (from 11.1 million contos in 1985 to 23.6 million in 1986).

Surplus With EFTA

The trade balance with the EFTA continues to be positive for Portugal, by 16.2 million contos, resulting from 75.9 million contos in imports against 92.2 million contos in exports. Contributing to the surplus was trade exchange with Sweden, with which we had a positive balance of 17.3 million contos.

In relation to OPEC, the deficit was 80.8 million contos for the first 9 months of 1986, resulting from 94.9 million contos in imports against 14.1 million contos in exports. The deficit with OPEC represents 34.5 percent of the total Portuguese trade balance.

As for the official Portuguese-speaking African countries, our imports totaled 7.5 million contos, while sales to those countries amounted to 16.9 million during the period under review, resulting in a surplus of 9.5 million contos, less than achieved in 1985, which was 15.8 million contos. This reduction in trade was due basically to the reduction of trade exchange with Angola.

During the period under review, Portugal's main customer was France, with 119.2 million contos; followed by the Federal Republic of Germany, with 113.1 million; the United Kingdom, with 112 million; the United States, with 54.7 million; and the Netherlands, with 52.8 million contos. These countries absorbed 58 percent of our sales abroad in 1986.

As for imports, our main supplier was the Federal Republic of Germany, with 136.6 million contos; followed by Spain, with 104.8 million; France, with 101.7 million; Italy, with 76.7 million; the United Kingdom, with 76.9 million; and the United States, with 73.8 million contos. These countries supplied 56.3 percent of total purchases abroad by Portugal during the period under review.

Oil and Grain--the Bulk of the Imports

The largest trade exchange deficits occurred with Spain (56 million contos), Italy (48.2), Japan (28.4), and the FRG (23.6). The largest positive trade balances obtained by Portugal were with the United Kingdom (35 million contos), France (17.5), and Sweden (17.3).

The main products exported by Portugal were textiles, with 160.9 million contos (27.3 percent more than in 1985); machines, appliances, and electrical material, with 83.9 million contos (1.5 percent less); and footwear, with 61.2 million contos (50 percent more).

Oil and grain continue to be the products accounting for the bulk of our imports, amounting to 116.6 million and 26.6 million contos, respectively, in the first 9 months of 1986. Meanwhile, despite the volume of our purchases abroad, imports of oil and grain presented a decline of 41.9 and 40.6 percent, respectively, compared to the first three quarters of 1986.

Equally significant in the overall import picture is the machinery, appliance, and electrical material sector, which accounted for a total of 175.6 million contos, that is, 29.1 percent more than for the same period in 1985.

BRIEFS

EXPORTS, IMPORTS RISE--Portuguese exports rose by 19.8 percent in dollar value during the first 9 months of 1986, while imports were up by 26.6 percent during the same period, according to the National Statistics Institute. In escudos, Portuguese exports rose by 9.5 percent to a total of 778.7 million contos. Purchases abroad rose by 3.7 percent to a total of 1,012.5 million contos. The trade balance deficit totaled 233.9 million contos, down 11.8 percent from the same period in 1985. The rate at which imports were covered by exports reached its highest level in 3 years: 4 points above the 72.9 percent recorded in 1985 and 12.5 percent above the 64.4 percent recorded in 1984. The balance in trade with the EEC shifted from a surplus of 1.8 million contos in 1985 to a deficit of 52 million in 1986. This was the result of rising deficits with Spain (36.3 million contos in 1985 and 56 million in 1986), Italy (20.7 million and 48.2 million respectively), and the FRG (11.1 million and 22.6 million respectively). [Text] [Lisbon DIARIO DE NOTICIAS in Portuguese 24 Dec 86 p 5] 11798

CSO: 3542/36

FOREIGN INVESTMENTS INCREASE IN 1986

Madrid YA in Spanish 10 Jan 87 p 15

[Text] Madrid--Foreign investment in Spanish firms authorized by the government throughout 1986 (still lacking official data for December) will exceed 370 billion pesetas, an increase of 32 percent over the figure recorded in the 1985 fiscal year. These figures are projected on the basis of the favorable trend seen during the first 11 months of last year.

According to the latest available data, for the January-November period of last year, direct foreign investment in Spanish companies came to a total of 347.691 billion pesetas, an increase of 113.974 billion pesetas over the same period of 1985.

Of the total volume of authorized foreign investment, attention should be drawn to the fact that 56.6 percent came to Spanish firms through capital expansions, which represented a figure of 196.926 billion pesetas; 34.3 percent came through the purchase of stocks, accounting for 119.427 billion pesetas; and the remaining 9.1 percent, 31.338 billion pesetas, came to Spain through the formation of new businesses.

In November, investment operations in our companies yielded a total of 37.744 billion pesetas, of which 40 percent came in through capital expansions, 35 percent through stock purchases, and 24 percent through the formation of businesses.

Less in Construction

Of all the 10 sectors that receive direct foreign investment in our country, the sharp increase in the category of "industries that process metals and precision mechanics" is most noteworthy in the January-November period. The increase in this category amounted to 55.093 billion pesetas, and was followed by the 26.275-billion-peseta increment recorded by the "financial and insurance institutions" category with respect to the January-November period of 1985. The "commerce, restaurants, and hotels" category saw a rise of 17.599 billion pesetas. All these increases contrast with the 1.842-billion-peseta drop in foreign investment in Spanish firms linked to the construction sector; this was the only category that experienced a decline with respect to 1985.

Finally, with regard to the distribution of the investment by country of origin, the Federal Republic of Germany stands out with a third of all foreign investment, 100.976 billion pesetas, compared to 27.427 billion in 1985. The FRG is followed at a distance by the United States, with 30.713 billion pesetas (59.559 billion in 1985); the Netherlands, with 25.692 billion pesetas (18.875 billion in 1985); and France, with 23.973 billion pesetas, just under the 25.290 billion pesetas invested during the January-November period of 1985.

8926

CSO: 3548/41

OECD, COUNTRY'S ECONOMISTS SEE SLOWER GROWTH FOR 1987

Growth Below European Average

Stockholm DAGENS NYHETER in Swedish 19 Dec 86 p 15

[Article by Jan Magnus Fahlstrom: "OECD Report Shows Sweden Lagging Behind"]

[Text] Economic growth in the industrial countries will increase a little next year compared to this year. But in Sweden it will decline. Sweden continues to lag behind and the gap between us and the group average will widen in 1987.

This prediction was made by the coordinating organization of the western industrial nations, OECD, in its December report which gave a forecast for the next 18 months.

OECD includes the European countries outside the eastern bloc, the United States, Canada, Japan, Australia and New Zealand. In 1982 the United States alone accounted for around 41 percent of the OECD nations' gross national product (GNP, the total production of goods and services).

The European OECD countries as a group accounted for 38.3 percent. The United States was followed by Japan with 14.2 percent and West Germany with 8.0 percent. Sweden's share was 1.3 percent.

United States Heaviest

When the OECD secretariat in Paris calculates the average figures for economic development within the group the different countries are "weighed" in proportion to their share of total GNP. This means that the big countries, led by the United States, weigh heavily, while what has happened or is expected to happen in Sweden has a very insignificant effect on the average.

In its new report, "Economic Outlook, December 1986," which was released Thursday evening, OECD predicts that GNP will increase by 2.75 percent in 1987 compared to 2.5 percent in 1986.

Thus economic growth should increase somewhat next year. The rate is expected to continue until the end of the period covered by the forecast, the first half of 1988.

A year ago, in December 1985, OECD predicted a growth of 2.75 percent for 1986. In the next report, which came out in May 1986, the rate of increase was adjusted upward to 3.0 percent. Now it has been cut back to 2.5 percent.

The reason for these fluctuating predictions is that like other forecasters last spring the OECD economists had high hopes that the decline in oil prices, interest rates and the exchange rate of the dollar would stimulate growth.

OECD now says that the first half of 1986 was a disappointment from that point of view. The positive effects turned out to be slower than expected and they were offset by the fact that the oil-producing countries outside OECD were forced to cut back on their imports from the industrial countries when their oil revenues declined.

That led to the reduction in the growth forecast for 1986 from May to December. But precisely because the "winners," the industrial countries that do not produce oil, have been slow to reap the benefits of lower oil prices, interest rates and the exchange rate of the dollar, OECD economists are predicting that many of these benefits remain to be realized.

This delayed effect should set the economic pace in these countries for the next 18 months. Thus economic growth will be higher than it was in 1986.

This estimate as far as the OECD average is concerned is based partly on the assumption that growth in the heavily weighted United States will increase from 2.75 percent this year to 3.0 percent in 1987. It is estimated that the rate will be 3.25 percent for the first half of the year.

Compared to the predictions of many independent American forecasting institutes this is a remarkably optimistic evaluation.

With regard to unemployment the OECD report presents a bleak and unchanged picture. It is expected to remain at 8.25 percent for the average OECD land and at 11 percent in Europe. It is true that employment will increase but the labor force will also grow correspondingly.

In Sweden unemployment is expected to rise from 2.5 percent this year to 2.75 percent in 1987. Of the 24 OECD countries only Iceland, Luxemburg, Norway and Switzerland have comparable or even lower unemployment rates.

From 1970 to 1980 growth per year averaged 1.9 percent in Sweden compared to 2.9 percent for European OECD countries. Thus Sweden was below the OECD average for that decade. In 1981, when the GNP declined from the 1980 level, the drop was greater in Sweden than in OECD, 0.9 percent compared to 0.3.

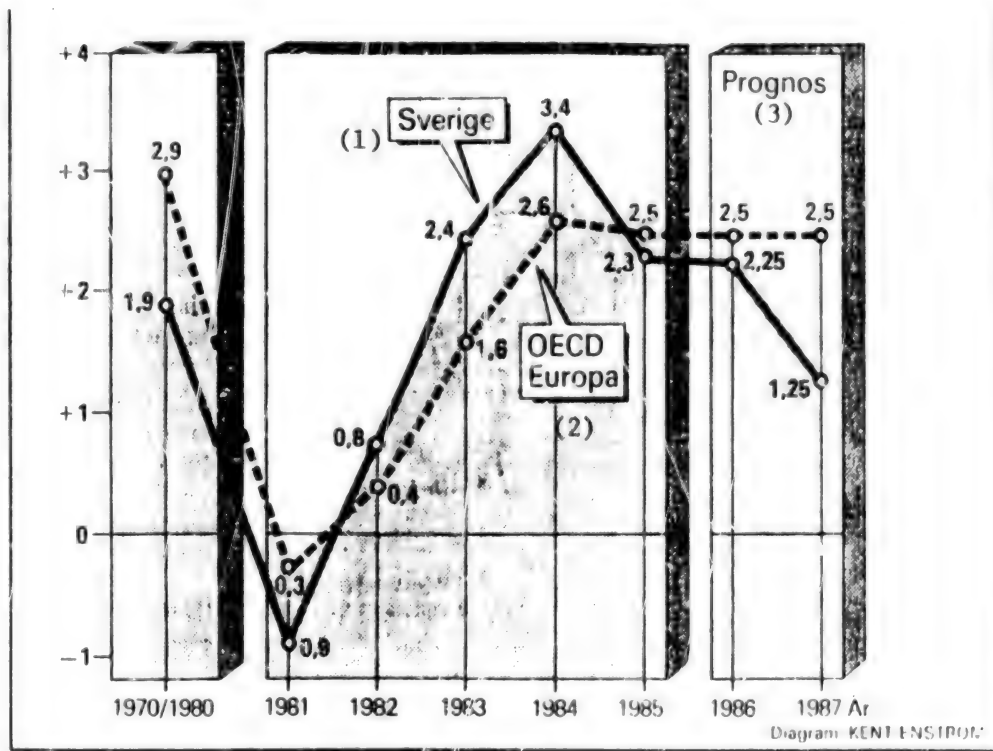
The krona devaluations in 1981 and 1982 gave Sweden an edge in economic growth that lasted from 1982 to 1984. Sweden got an extra boost when it came to making the most of the economic upturn.

But beginning in 1985 Sweden was lagging behind again. And next year the gap will be wider, according to the OECD forecast, which assumes an unchanged

European average of 2.5 percent and a weakening of Swedish growth from 2.25 to 1.25 percent.

In comparison we can note that the average Swedish forecast last month for Sweden's GNP called for a growth of 1.9 percent in 1986 and 1.6 percent in 1987.

Thus Swedish economists made a lower prediction than their OECD colleagues for 1986 and a higher one for 1987. If the Swedes are right the decline will be less dramatic. But they too are predicting weaker growth in Sweden.



Gross National Product in Sweden and Europe

The figure shows the development of the gross national product in Sweden and a weighted average of European OECD countries. Average annual volume changes in percentages for 1970-1980 and for each year thereafter.

Key:

- 1. Sweden
- 2. European OECD countries
- 3. Projected

Slowdown Until 1990-1991

Stockholm DAGENS NYHETER in Swedish 22 Dec 86 p 13

[Article by Anders Nordstrom: "Recession Next Year for Ninth Time Since War"; first two paragraphs are DAGENS NYHETER introduction]

[Text] Next year Sweden will experience another recession.

Economic growth will decline while unemployment and inflation will start creeping upward, according to a survey the TT news agency made of six current economic forecasts.

"What we are seeing is the beginning of the ninth recession since the war. The fluctuations have come with such regularity so far that there is no reason to think we will avoid one this time," said Handels Bank economist Rudolf Jalakas.

"The slump will probably last until the end of the decade. Sometime in 1990 or 1991 the economy will probably head upward again."

How deep will the slump be? Existing forecasts point in the direction of a fairly limited decline. An average of the forecasts TT looked at suggests that GNP, the value of all the goods and services that are produced, will increase by 2.0 percent this year and 1.6 percent next year.

The rise in unemployment will also be modest, from 2.7 percent in 1986 to 2.8 percent in 1987. And most economists think the coming decline will not be as serious as the recession in 1980-82.

"No, that recession was the worst since the crisis in the 1930's. We will probably not have to go through anything like that this time," said Rudolf Jalakas.

"At that time Sweden and other countries had a big economic imbalance in the form of high inflation and big budget deficits. This forced the government to pursue a policy of austerity cuts and high interest rates which actually made the recession worse. This was the opposite of the effect in the past.

"The situation now is different. Inflation has been eliminated for the time being and we will undoubtedly return to a policy that checks economic declines.

Unemployment

"Even if unemployment in Sweden continues to rise somewhat after 1987 it will not reach dramatic heights. It will probably be combatted with the usual thoroughness whether we have a nonsocialist or a Social Democratic government.

"When industry cannot take care of employment, the public sector will be allowed to expand. That may not be very rational, but that is undoubtedly the way it will be," said Rudolf Jalakas.

At first glance the industrial investment trend seems to deviate entirely from what one might expect in an economic slump. The average of the various forecasts indicated a reduction of 1.3 percent this year but an increase of a hefty 9.4 percent next year.

The explanation is that almost the entire investment increase is due to Volvo's new factory in Uddevalla and Saab's new factory in Malmo. If these two plants are removed from the statistics, industrial investment would increase by a modest 2 percent. It is doubtful whether this level of industrial investment is enough to renew the buildings and machinery that wear out.

Many economists are also starting to worry about the overdependence of the Swedish economy on the automobile industry.

"The development feels a little uncomfortable. No one can be certain that the automobile industry won't end in the same situation 4 or 5 years from now as the shipbuilding branch," said Central Organization for Salaried Employees [TCO] economist Stig Tegle.

"In addition the automobile industry is such a large importer of component parts that it does not benefit our exports as much as one might think. Half of a Volvo is made from imported goods and for each 1,000 kronor earned from Volvo exports, the firm has first imported goods worth 500 kronor."

6578

CSO: 3650/38

EEC APPOINTS NEW ANKARA REPRESENTATIVE

Istanbul CUMHURİYET in Turkish 4 Nov 86 p 11

[Hadi Uluengin report]

[Text] Brussels—The EEC's "Information Office" in Ankara, which is currently headed by Gwyn Morgan of Britain, will soon be taken over by Johannes Van Rij of Holland. Although the said appointment has not yet been finalized, reliable Community sources in Brussels state that "it is virtually certain" that accreditation for Van Rij will be requested from Ankara in the coming weeks.

As is known, the EEC mission known as the "Information Office" has acted as a semi-diplomatic representative office for the Community in Ankara and has been in Turkey's capital for a long time. The current representative is Gwyn Morgan who became the center of controversy in the aftermath of 12 September and the initial period of the Ozal government because "of interfering in the country's internal affairs." Morgan's 4-year term will expire soon.

"Elbow contacts" with regard to the new EEC representative who will replace Morgan had been continuing for some time. Ankara had requested that the new representative be from a Mediterranean country, in particular an Italian, on grounds that "they understand our temperament better." To support that argument, the EEC was told that relations between the Community and Turkey were extremely cordial during the tenure of Gian Paula Pappa, an Italian who served as the EEC representative in Ankara for a long time. However, because the EEC wants to "upgrade" the status of its mission in Ankara and because no Dutch national has ever served as a representative in Mediterranean countries, the appointment of Van Rij to Ankara has become virtually certain.

Van Rij is currently the EEC's "No. 2 man" in Tokyo which is one of the most important missions of the EEC. In the past, Van Rij served in the Dutch foreign ministry and the EEC Commission.

9588

CSO: 3554/79

DEFENSE MINISTER REVEALS PLAN TO MODERNIZE HOME GUARD ARMS

Copenhagen BERLINGSKE TIDENDE in Danish 18 Dec 86 p 9

[Article by Nils Eric Boesgaard: "75,000 Volunteers to Be Better Armed"]

[Text] The Home Guard has considerable reserves of relatively modern weapons, but the defense minister now wants a half billion kroner, among other things, for much needed modernization of the antitank weapons and naval cutters, several of which were built during the Second World War.

The Home Guard is a Danish phenomenon. They have home guards other places, but not like here. In Norway and Sweden the home guard is closer to a kind of local defense battallions.

The Danish Home Guard is completely voluntary. One joins it as though it were an athletic association. At the moment it includes a good 75,000 men and women who use a great deal of their spare time on preparing to make an active contribution to the country's defense. For this reason they have a claim to getting the best imaginable arms for carrying out this mission, and for this reason Defense Minister Hans Engell has announced they he will seek to obtain a majority for an appropriation of a half billion kroner for replacement of the Home Guard's materiel, as reported in BERLINGSKE TIDENDE yesterday.

The largest group within the Home Guard is the Army Home Guard, which includes a total of 58,000 men and women, the latter organized into the Danish Women's Voluntary Army Corps. The Naval Home Guard includes 5000 people, of which 1300 are women organized into the Women's Naval Corps; and, finally, the Air Home Guard, with 9000 air defense warning people, the Air Station Corps of 1500 men, and the Women's Air Corps with 1500 women.

Defense of Home Ground

The Home Guard's mission is, as the name implies, primarily the defense of the home, or in any case the home ground. It must under no circumstances be confused with the so-called non-aggressive defense. It has neither the weapons nor the training for actual warfare.

The service has its main forte in local familiarity with buildings and the terrain, and, not least, with the people. It will be immensely difficult for enemy agents, Soviet Spetsnaz forces, for example, to infiltrate a locality without immediately being exposed by the Home Guard.

1)

Hærhjemmeværnet:

58.000 fordelt på
50.000 mænd og 8000
kvinder i Danmarks
Lottekorps.

2)

Flyvehjemmeværnet:

12.000 fordelt på
9000 i Luftmeldekorps
1500 i Flyvestationskorps
og 1500 i Kvindeligt
Flyvekorps.

3)

Marinehjemmeværnet:

5000 fordelt på 3.700
mænd og 1300
kvindelige marinere.



4)

Hjemmeværnsskutter
Det maritime Hjemmeværn råder
over ca. 25 kuttere.



VÅBNE: 5)



6)

45.000 geværer af model G-75.



7)

22.000 maskinpistoler.
af model M 53 og M 45



8)

5000 maskinegeværer af model M 62



9)

Ca. 8000 66 mm Panserværnsraketer
model M 72.



10)

2000 stk 84 mm Dysekanon
(Carl Gustav) M 65.

The Home Guard--75,000 Men and Women

[Key on following page]

Key:

1. Army Home Guard: 58,000, divided into 50,000 men and 8000 women in the Danish Women's Voluntary Army Corps
2. Air Home Guard: 12,000, divided into 9000 in the Air Defense Warning Corps, 1500 in the Air Station Corps, and 1500 in the Women's Air Corps
3. Naval Home Guard: 5000, divided into 3700 men and 1300 women sailors
4. Home Guard cutter. The Naval Home Guard commands about 25 cutters.
5. The weapons:
6. 45,000 model G-75 rifles
7. 22,000 model M 53 and M 45 machine pistols
8. 5000 model M 62 machine guns
9. About 8000 model M 72 66-mm antitank rocket launchers
10. 2000 (Carl Gustav) M 65 84-mm nozzle guns

The Naval Home Guard has the mission of defending the smaller ports, takes part in supervision of local navigation, and patrols with its naval cutters, which also play an important role in the sea rescue service.

The Air Home Guard's most important role is the air defense warning service, whereby, from 400 lookout towers distributed over all of Denmark, they look out for enemy planes and helicopters which attempt to land troops, and in close touch with the Civil Defense they help to warn the people of air attacks.

The Home Guard has command of a considerable arsenal of relatively modern weapons to carry out these missions.

The main arms are about 45,000 German model G 75 automatic rifles. In addition they have command of a considerable number of older rifles which can be used in a pinch in a mobilization situation.

There are 5000, M 62 machine guns and 22,000 machine pistols of the M 53 and M 45 types, of which the last model was taken over from the resistance movement. Finally, some of the regular officers are permanently armed with pistols.

For antitank defense, the Home Guard commands about 8000 model 72 66-mm antitank defense rocket launchers, the so-called "armor fist," or PNAEV, which is very soon to be phased out and replaced by a more up-to-date weapon. In addition, there are 2000, M 65 84-mm nozzle guns (the Carl Gustav), which are undergoing modification with, among other things, a new night vision unit. This is an immensely effective weapon which is able to penetrate all known types of armored vehicles.

Finally, there are the ships. The Naval Home Guard's sailing flotillas have a total of about 25 vessels, of which a rather small number were built during the Second World War. It is these, for one thing, which the service is now hoping to replace with new up-to-date vessels.

8831

CSO: 3613/34

LIBERAL MP: PARTY OPPOSED TO CUTTING BACK DEFENSE PROGRAMS

Copenhagen BERLINGSKE TIDENDE in Danish 18 Dec 86 p 15

[Article by Mikkel L. Slesbager, member, Liberal Party Defense Committee: "Indefensible Talk About Defense"]

[Text] It appears, for one thing, from BERLINGSKE TIDENDE, 11 December 1986, that the governing parties and the Social Democratic Party have had to give up reaching agreement regarding the procurement of new missile systems for the close-range air defense system, such as was assumed in the present defense compromise. This is deeply serious for Danish preparedness, and for the army it is another serious blow which rightfully can shake the relationship of confidence between officers and politicians.

I do not regard it as my duty to assign responsibility for this deplorable political indecisiveness, but can only state that as a consequence of this one more condition under the present defense compromise is being seen crumbling away. If they have suspicions in the armed forces that the 1.5 billion kroner which the new air defense system would have cost will now just disappear in the hiding places of a hungry Treasury, it can not be surprising.

Over the years the armed forces have lost quite a large part of their attraction as a place of employment for a well trained group of leaders. A career in the armed forces does not seem attractive in the light of constant cutbacks on the personnel side, wage growth which hobbles behind the private job market, a footnote policy which makes our allies distrustful, an ongoing undermining of the armed forces' materiel standard, and an abysmal political disrespect for the strength targets on which agreement was declared between the parties to the compromise.

In addition is the fact that the reorganization of the defense system's forces which was approved in the latest compromise and the preceding one has resulted in a reduction of a very large scale in the army's standing strength. Additional uniting of or dismantling of historical regiments and garrison towns will be seen with the new garrisoning plan. This is deeply wounding many; but romanticism is of course not a relevant argument in times of economizing. More decisive for the armed forces' working environment is the fact that this once more will mean the moving of large groups of personnel and their families to new and unfamiliar areas far from friends and relatives.

How many employees in private industry would accept such an obligatory vagabond existence?

The current cutbacks in the number of draftees called up have caused a very serious problem, for concomitantly it is necessary to raise the average age for personnel to be mustered from the mobilization force. More and more of these mobilizable personnel received their original training so far away back in time that they are not up to date with materiel developments and planning in their units, for which reason their fighting ability is reduced. In recognition of this, it was accepted as part of the present defense compromise that the number of draftees would be increased again. Over and beyond a solution of the "quality problem" outlined, with this it was desired to again provide the Danish armed forces with a broad spectrum of people. This condition has also not been able to be fulfilled to an appreciable extent. This has been due, among other things, to the fact that the Social Democrats have made totally unheard-of demands regarding the organization of drafted personnel by specialty, with service over and beyond the norms hitherto for the period of compulsory service. Here too the implementation of decisions which the country's largest party at one time signed unconditionally has been blocked through attempts at undemocratic organization pressure.

In the Liberal Party we dissociate ourselves from this form of pressure politics--not just because it is unsavory--but because it directly harms the armed forces' strength, morale and confidence in a democratically elected political leadership.

In the present defense compromise there was no decision regarding weakening of Danish preparedness or Denmark's fighting capacity. But the realities speak a different language today, when negotiations on a new compromise are imminent. The goals have not been fulfilled, and the armed forces have once more been clipped in a, in many ways, aggravated security policy situation.

The Liberal Party's ministers and Folketing members have spoken commendably clearly about the goals for negotiations on a new defense compromise, and the chairman of the Liberal Party Folketing group, Ivar Hansen, said at the Liberal Party national congress that, if the Social Democrats during the coming negotiations stick to the demands in the party's defense policy proposal, the Liberal Party will insist that the voters be asked.

If the strictly necessary procurements of materiel are to be able to be realized, if a markedly increased military obligation is to be carried out to strengthen the weak preparedness, if the standing forces are to reach earlier declared goals, yes, then it will not be able to be managed with a budget status quo in a new compromise term. Ex-Prime-Minister Anker Jørgensen said the other day that the Social Democratic Party wants such an unchanged budget for the armed forces in the years to come. This is indefensible talk.

Then it would be just as well to lock Denmark's door with adhesive tape and have Glistrup's legendary telephone answering machine on round the clock. As will be recalled, it said just, "We surrender."

Watch out that the armed forces personnel do not reach the same conclusion and leave an insecure job without security or a future. For this risk exists.

TIMMERMANN REVIEWS MILITARY HIGH-TECH DEVELOPMENT, PROCUREMENT

Coburg MIKROWELLEN & MILITARY ELECTRONICS MAGAZIN in German Oct 86 pp 412-422

[Interview with Manfred Timmermann, state secretary for armaments issues in FRG Ministry of Defense, conducted by Col Eberhard Skibbe, retired, at Bonn, date not given: "We Need Large High-Tech Firms, But Also the Flexibility and Wealth of Ideas from Medium-Sized and Small Enterprises"]

[Text] Long ago, electronics moved from its traditional areas of application --intelligence and radar--into almost all technical disciplines. To follow the tempo of its continuing development and expansion is a challenge for the people and the management in all fields in which the advantages of electronic technologies must be utilized in order to be and to remain capable of competing. This is valid, in general, but especially for military technology. It is a question here of the defense, command, and survival capabilities of the armed forces, and mainly of the external security of our FRG. Dr Manfred Timmermann, state secretary for armaments issues in FRG Ministry of Defense, was questioned by our Bonn correspondent, Col Eberhard Skibbe, retired, about problems which this development causes in connection with procurement of military hardware for the FRG army and solutions to these problems.

MM: As we know, interest in electronics is continually growing in all sectors of life, and that is naturally taking place in military technology as well. Is the procurement process for army materiel--according to the basic law regarding armaments currently in effect, and in view of the dynamic development of this technology--really still adequate to fulfill the requirements in such a way that we can stay current with the technological state of the art?

Prof Timmermann: The basic law regarding armaments is, in principle, independent of any existing technology. I grant you that electronics today plays a role in almost all areas of military technology, and very often a dominant one. However, I see no direct connection with the operability of the basic law regarding armaments. But I add here that we are, in many places, thinking about improving the basic law regarding armaments. This is connected with other requirements in the international area. Among our partners in cooperation, we often have very different recommendations regarding duplication of effort which, if we do not change anything in them, will also cause us ever increasing difficulties. We want to try to find a reasonable solution.

Second, we plan to find new forms of cooperation with industry in many areas, especially in connection with the transfer of development results which are already available there. One example is PUMA, a tank development by Krauss Maffei, which takes us completely out of the normal development process for military hardware. The basic law regarding armaments must not stand in the way of such independent entrepreneurial initiatives.

With regard to the organizational structure which stands behind the basic law regarding armaments--perhaps you are referring to this--one must really ask whether it is still in proper agreement with new technological developments.

For example, the role which electronics plays in almost all areas of military technology today thus causes consequences for the organizational structure, especially for those fellow workers who are experts in electronics from the technical side as well. Our real problem here is that we have to take a significant backlog in both initial and continuing training into account. The big advantage in the military area is that we receive from the military academies young officers who are exceptionally well-trained, who are experts in the field of computer science. Naturally, we also have an entire group of very good experts among the civilian employees in the armaments area including BWB [federal office for military technology and procurement], at military science installations, and at test centers. But especially for the already somewhat older colleagues who, from their university training, are no longer very familiar with the newest developments in electronics, an enormous task of catching up through continuing education is necessary, if they want to hold on to their traditional specialty of military technology--whether in the navy, in the air force, or in the army--and if they are to continue to carry out their duties in an appropriate manner. But these are questions of personnel flexibility and qualifications, perhaps of organizational structure, and less of the basic law regarding armaments.

With regard to organizational structure, I want to add that--in order to implement electronics as the new dominant technology in military technology--it does not suffice to have an across-the-board function called "electronics" in the armaments section and in the BWB. We are becoming increasingly convinced that we must require qualified electronic technical knowledge for our fellow workers in all areas. Delivery from an across-the-board service sector no longer suffices for the maintenance of modern weapon systems.

MM: But if one goes into an area which is specifically only electronic--such as telecommunications equipment, data processing and communications equipment, etc.--it is a fact that the procurement period has been superseded, perhaps several times, by advances in technology. An example of this is the A/VHF equipment for the Army. They just now signed delivery contracts which, including options, extend into 1995. In this case, some 13 years passed between receipt of the tactical requirements and delivery of the first set. Doesn't there exist the danger here that, because of changes in technology during these 13 years, there finally exists a housing--with very little inside it--which, in spite of all this, still completely satisfies the required performance characteristics?

Prof Timmermann: Here you are addressing the very critical point with respect to the basic law regarding armaments--that the elapsed time for the idea, and also for the tactical requirement resulting from these ideas after the preliminary phase, up to delivery of the first or even the last set, plus its long life expectancy in the army, is much too long--and that we must significantly shorten this path. This is a general problem with the transfer of new technologies, and it is not restricted to electronics. But that is where it is especially apparent at the present time because this technology is moving forward with giant steps. We can help ourselves here only by having the courage to say, during system development, that we will not accept the next round of technical progress. We discontinue development; as a result, we deliver years earlier; and we either make an earlier upgrading of combat effectiveness or change over to another device sooner. But we will not succeed in having both the latest technological state of the art and short procurement times.

We must reconcile ourselves to doing without the very latest state of the art. Instead, we must deliver a device; perhaps after only 5 years, subject it to the process of upgrading combat effectiveness; or--depending upon the type of device--start thinking about a replacement rather quickly. That is cheaper in cost and carries out the assignment much sooner than what we still sometimes do; we want a tactical requirement to be completed according to the latest state of the art and we, again and again, immediately put through a change whenever a new technical development shows up somewhere on the horizon. Over the long term, that cannot be good; it does not result at the outset from the principle of the basic law regarding armaments, but it does result from the way we carry it out in practice.

MM: Until the basic law regarding armaments went into effect, there was for a service sector a priority process for electronic warfare equipment. According to that process, one could cover an ad hoc requirement for single items or for small series of equipment items for intelligence use. It was expected that, after the reorganization, such special requirements could be satisfied just as quickly as they were under the priority process, which no longer existed. This assumption has obviously not proven true in all cases, and it does sometimes take too long. In view of the given facts in practice, wouldn't it be practical to allow the priority process to come to life again?

Prof Timmermann: An adjustment of priorities alone does not suffice. Again and again, there is the necessity to set priorities, which surely include the electronic warfare sector and especially the intelligence sector, if not just there alone. It has been our common experience that, whenever we want to establish priorities, we do have the strength during the practical implementation phase to establish resulting priorities as well; because a priority also means that something else will have to be delayed. These decisions are not made; and then we wonder why the setting of priorities do not function properly. For example, when we look at everything which the leadership, the armaments section, and the armed forces all plan on a priority basis, then we suddenly find that almost everything should have a priority. At that point, the single priority is no longer important; it is ineffective.

Therefore, the normal process would, for such service sectors--and one can in this regard only support what you say about the importance of the intelligence components of electronic warfare--be completely practicable. It just has to move quickly enough. If we cannot do it organizationally, then we cannot do it with priorities. That might be the single exception. That is basically the same problem which we solve in the organizational area by designating a special representative. However, this usually means only that one can no longer handle problems in the normal organization and one switches over to "management by exception." That can be sensible only if one uses it very sparingly and concentrates upon a few cases; then I am in favor of it, too. If we are unable to limit this, then I can offer little hope for regulatory special exemptions. I would have no misgivings that, in a critical situation, the intelligence sector should claim such a priority.

MM: The question has been raised to members of parliament who have visited the installations of such sectors whether their body could make available to this branch special funds which, in an amount based upon previous experience, could be used to cover--as needed and as quickly as possible--any requirement which might arise.

Prof Timmermann: I could definitely imagine that one could get parliament to agree to such a special regulation for a clearly-defined sector, within a well-defined framework, in order to be able to react very quickly. If one makes it clear from the beginning to both the defense committee and the budget committee and if one has good arguments, then I have no doubt that we could get it through. They are very receptive to such recommendations there.

Whether that will help much in practice, however, there I am not so convinced. This comes simply from the consideration that the time bottleneck usually does not come from the process of moving the procurement documents through the budget section, the federal finance minister, and the appropriations committee of the parliament, whose vote comes at the end. One cannot hold this processing time--for example, four weeks with the finance minister and then, at most, four weeks with the appropriations committee; because they work quickly there--responsible for the fact that a plan has been worked on for perhaps 6 years in the armaments sector and in the armed forces and thus did not get finished soon enough. After 4-6 years, should 4-6 weeks suddenly become a decisive factor? Our budget section, federal finance minister, and the appropriations committee are, in relation to other time periods in the planning and procurement process, so quick that one does not need a regulation for priorities or an overall budget at the full disposal of a given sector. We simply have to make sure that we get things done earlier in our own sector.

Independent of the fact that one should not always beat up the one who is at the tail end of the material planning and procurement process, someone with good arguments will find very understanding colleagues in the finance ministry. There would basically be no problem in coming to an agreement with both the defense budget section and the budget committee of parliament--after this had previously been agreed to in principle--whereby a specified sector would have a sum of money placed at its disposal under its own control. I have no basic misgivings here.

MM: It has been observed in recent decades that those firms which either were or are general contractors for weapon systems initially satisfied their needs for electronic equipment by purchasing from firms specializing in this area. Later, these products were modified in the large firms' own shops by tailoring them to fit current needs. The next step was the complete fabrication process in their own electronic divisions and, here and there, they even went into the electronics market. Can you verify this development and, in such a case, how do you evaluate this concentration with respect to the military economy?

Prof Timmermann: That is absolutely correct. Your question returns basically to the matter of which defense industry structure we should try to obtain. Here we have a serious problem to solve. On the one hand, we would like to have relatively effective competition. Effective competition which presupposes, as far as possible, a large group of bidders. On the other hand--and here lies the difficulty--we must have a couple of large high-tech firms which can compete in our cooperative efforts in both the European sector and especially in the transatlantic sector. American industrial concerns like General Dynamics, General Electric, Martin Marietta, or Texas Instruments, or whichever one you take, expect a negotiating partner who is technically and financially competent and who has appropriate management with international standards. We simply cannot assume this for small firms. We need some large ones for this reason.

However, I become increasingly worried whenever a large enterprise does a relatively large share of its business with the army. When that exceeds 20-30 percent, the mutual dependence--and I stress the mutual--becomes too great. Then we suddenly become responsible for maintaining their manufacturing and development capabilities at full capacity, which we usually cannot and do not want to do.

The second problem is that we want not only to maintain the independence of armaments firms but also to avoid having everything remain within the domain of these large firms through the merger and monopoly phenomenon of recent years and having subcontracts be given to their own subsidiaries, especially whenever they have organized themselves very broadly, either technically or technologically.

I mention this reservation with an eye not just upon costs and prices, but also upon ideas; because we find that newer and even quicker ideas come from some medium-sized firms than is possible from large firms, which suffer from the problem of bureaucracy. To avoid this, it is in our own self-interest to have medium-sized firms participate, which is totally in the spirit of the federal government's efforts on behalf of medium-sized firms, which we thus actively support.

To take this into consideration, we want to amend the so-called law regarding general contractors. We will delineate this in the form of policy guidance for the award of army contracts. We have planned that a totally decisive criterion will be introduced for the selection of a general contractor in a given competition. We want to know what percentage of the total contract

amount will be distributed to outside, medium-sized subcontractors. Under otherwise equal conditions, we will give preference to that large firm--whether it be AEB, Siemens, Dornier, MBB, Rheinmetall, or whatever--which documents the largest share of awards to medium-sized or at least to outside firms as subcontractors. We want to develop this as a counter-weapon against the concentration phenomena in this sector and against a type of "department store" which awards subcontracts internally, within the firm. To counteract this practice, we are saying: Someone who awards 70 percent of the subcontracts to medium-sized firms is preferable to one who awards only 40 percent and distributes the remainder within his own firm. Not only do we want to have this promise included in the invitation for bids, but we also want to be able to reconstruct this after the fact, and to be more precise through bonus-penalty regulations. For any given number of percentage points which the contractor stays below his promised level, a corresponding penalty will be subtracted, upon which we will have agreed contractually with him beforehand.

We are currently discussing this with industry, more precisely with the BDI [Federal Federation of FRG Industry] and the minister for economic affairs. We want to announce in parliament this fall that, in the future, we will follow these policy guidelines in awarding of army contracts. It is with exactly the goal which your question contains that we are working against both tendencies--on the one hand, that of concentration, the manufacturing of a large number of things within their own firms; on the other hand, toward the possible acceptance of medium-sized firms for army contracts. The participation by medium-sized firms in direct army contracts is not too bad even now, but we find that concentration among large firms has increased during past years. We hope that this device will work. I can naturally understand very well that, for business policy reasons, the individual general contractor wants to keep as much as possible within his own territory. He must make full use of his own capacity. Amendment of the law regarding general contractors should, therefore not be misunderstood as an attempt to do the large high-tech firms in the armaments area out of their contracts. That would be totally incorrect. First, we cannot do it at all; and, second, we do not want to do it, either. We need some large ones, in order to remain capable of carrying on a dialogue, both internationally and with our allies.

MM: Are your office, the armaments section, or the BWB actually involved in any way in the checking of the qualifications of such medium-sized subcontractors? Is the agency also involved in the process, or does the general contractor do it?

Prof Timmermann: We are usually absolutely not the competent authority for the evaluation of a subcontractor. The general contractor has to do that himself, unless other contractual arrangements have been made. But we also usually have our own relationships, in the area of direct contracts, with those firms which we know. We really can evaluate them to that extent. Naturally, we also assume responsibility, during the final acceptance of goods, for the evaluation of those items which come from subcontractors. But the current general contractor is held responsible. We try to obtain this evaluation in completely different ways--even independently from the direct contracts--in that we include interested medium-sized firms which are active in

the areas of newer, modern technology at an earlier stage in our discussions of a research concept or a technological concept. We have often called in independent medium-sized firms from those working circles which are dealing with the direction in which new technology in the area of military technology is developing, and which thus build the foundation for our research concept and out technological concept. To this extent, we obtain very close contact with these firms and, in addition, we have the very best impression of their performance capabilities and their high degree of flexibility.

MM: Do you mean, in this case, the newer firms in the data processing field?

Prof Timmermann: In this case, I am thinking precisely about those new microelectronic firms which you, with good reason, keep talking about; and, above all, those in information technology and data processing. This area is being decisively shaped by innovative medium-sized firms. The large firms are working very hard to acquire corresponding capacities, perhaps in the software area. For this reason, we like to work with medium-sized firms and, really, with good success.

MM: Then it is not the case that some firms could somehow feel left out?

Prof Timmermann: We need the large ones, but we also need small firms for a variety of reasons. All of them have a good possibility of livelihood. What we want to bring about through revision of the law regarding general contractors is good cooperation so that small firms are not excluded, so that we pull them into the army market even more, and that we do not become dependent upon a couple of large firms--however much we need the big ones, I have to keep on stressing that.

MM: Tactical requirements which are raised by the soldiers should, on the one hand, make full use of the foreseeable state of technology within prescribed limits; but, on the other hand, they should not make excessive demands. In my opinion, it is necessary for this purpose--both before and during the material planning and procurement procedure--to have a dialogue with the relevant industry, during which the soldiers can from their own experience present their special requests to experts and can discuss actual possible solutions with industry. Are there, in the armaments area, any restrictions regarding this?

Prof Timmermann: When I came into this office, it was the rule that the armaments sector was actually very critically careful that the military side did not maintain direct contact with industry. I suspended this regulation very quickly because I cannot imagine that someone in the command staff can think up a new system or technically transform a new idea without carrying on an intensive exchange of ideas with those who implement the technology, namely industry. Second, I could not imagine that we in the armaments sector would have to worry that something might go wrong. That would only document a bad conscience, if one feels that the military side should not speak with industry. I consider the exchange of ideas between industry and the consumer to be very, very important.

MM: Do you also mean, in this case, the consumer at a lower level?

Prof Timmermann: That must occur at the level where the things are actually operated. This is not a question for me of command levels in individual sectors. Those who do the real work have to talk with each other. Those who, on the one hand, operate the system and those who, on the other hand, develop and implement the systems. This is, for sure, still not running ideally; but I believe that we have made good progress in recent years. I am observing an intensive exchange of ideas and, from my viewpoint, I can only welcome this. All other paths bypass the basic setting of tasks. Industry welcomes this and I find, in the meantime, that the armaments sector actually has no problems with it. It is agreed that we will keep each other informed and then no one has to have the feeling that he is being left out. The armaments sector is sufficiently self-confident to carry out its function of satisfying requirements. I feel that it is even well-advised, if it supports this intensive dialogue between industry and consumers itself.

MM: From one of your recent presentations, it was very obvious that you are working hard for continuing education possibilities for armaments sector personnel who are involved in the procurement, maintenance, and deployment of military material. Among other things in this case, it was a question of the exchange of workers between industry and the armaments sector for specified periods of time. What solutions do you have in mind here?

Prof Timmermann: We are continuing to follow this in response to agreement by participants that small administrative barriers are causing us problems. Travel costs, moving costs and extra pay for ministerial duties, and weekend leave, as well as similar regulations, are for these relatively few exceptions so difficult to overcome that things do not yet run as we imagine they should. We can, for example, expect that during such a direct process of getting mutually acquainted, there should be transfer of technology, which we need so badly. People really cannot work together well, if they do not know each other. I keep hoping that we will find a solution. Everyone says to us: "Yes indeed, we must do that." But when it comes down to it and an individual is supposed to be transferred for 6 months to Stuttgart, Nuremberg, Hamburg, or Kiel, in order to work with an industrial firm there for that time, in order to come to understand both many new things and industry better, and, in return, a worker from industry assigned to us also becomes familiar with our problems, then everyone is basically in agreement. Only when our man wants to travel home twice a month or if he wants to move temporarily for a year, then there are the biggest questions and difficulties. For example, with the extra pay for ministerial duty for someone who was formerly working in Bonn. Even up to today, we have not yet successfully resolved this one. It worked for a while for individual cases. But for the long term and on a systematic basis, it has not been achieved.

MM: It is, however, imaginable that there are workers who, because of their own interests and ambition, like to do such things and who will voluntarily give up perquisites to which they are entitled by law.

Prof Timmermann: Yes, that happens again and again. The fact that this continues to go so well--even at the technical level of those of our workers who were not even offered the opportunity for additional training, which we really owe them because of their duties--stems from the strong commitment of these workers.

We have, in a wide variety of sectors, some really good experts who are well thought of in industry as well. But if we want to maintain this over the long term, then we must do much more. Exchange of personnel is one possibility. A general concept of continuing education in the areas of modern technology must be more intensively applied than has been the case to date. We are working on this and we are not letting go. I see this as the main problem for the 1990's. It begins with the attractiveness of public service in relation to the recruitment of younger replacement staff for qualified personnel. In those areas which we are now discussing, this complete mastering of modern technology, there will be such a shortage in the labor market that we will have to come up with a lot of ideas in order to become attractive, so that industry will not hire an entire graduating class of electronics specialists away from us. That is the first problem.

The second problem is that we have to bring along the people we have, according to a continuing education concept, so far toward the modern state of the art of technology that they will, over the long term, remain adequate partners in dialogue with both industry and the international sector. Inquiries and contracts with industry must be formulated, and the results must be able to be evaluated. Basically, we should be just a little bit better, but at least equal. That is the second reason.

The third reason is that we need appropriate people for the software area. In both maintenance and logistical support, software will represent an additional task whose scope cannot even be estimated today. Again and again, it is a question of training. I believe, though, that modern technology can be handled well and with fewer problems by young people. But my worry is: Where is the software maintenance and revision capacity which will play the main role during the 1990's?

At the beginning of our conversation, Mr. Skibbe, we correctly determined what great importance electronics has, what a dominant role information and data processing has. This is becoming increasingly dependent upon software and, if we do not master this in the area of logistics, then we will have problems there. Then we would have expensive weapon systems, perfect and capable of high performance, but we could not service them from the software side. We must make provisions for this, and then things will go well, too. But there still remains the major requirement for the qualification of our workers, which we must make possible for them through appropriate prerequisites. This applies to electronics in general and to information and data processing in particular. However, it is also a compulsory prerequisite in all other areas of military technology.

MM: I thank you, Mr. State Secretary, for these interesting and, for many, very informative explanations, and would like to add my wish that, during the implementation of your plans, you will always have understanding and committed comrades in arms.

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CSO: 3620/112

DEFENSE, PEACE, MEDIA EXPERTS ON KOIVISTO 'DOCTRINE'

Helsinki KANSAN UUTISET in Finnish 25 Oct 86 pp 3-4

[Article by Ari Heinonen: "Contradicting Views of 'Koivisto Doctrine'. President Heats up Discussion on Army"]

[Text] * Did President Mauno Koivisto shake the foundations of the official defense policy in his speech last week in categorizing the threat that Finland would become the theater of ground force operations as unlikely?

* The experts on defense policy are now disagreeing on whether Koivisto's evaluation fits into the old pattern or if the Commander-in-Chief went in a different direction than the military leaders.

* In any case, Koivisto heated up the discussion on the re-evaluation of the defense policy. This is what some peace researchers, among others, have presented in the same tones as Koivisto does now.

The emphasis in Mauno Koivisto's speech in the meeting of Paasikivi Association last week all on analysing the significance of marine areas from the viewpoint of the security of the Nordic countries. In public reviews, little attention has been given to the fact that, in his speech, Koivisto also discussed a question dealing with the fundamentals of Finland's defense policy.

The President questioned the kind of thinking according to which Finland should be equipped for large-scale land warfare. Koivisto considers it unlikely that, in the event of a possible confrontation, military solutions would be sought through occupying extensive land areas --although, according to Koivisto, "very much" thinking of that kind still prevails.

Koivisto started with the assumption that if military groups would be involved in an armed conflict, the blows would be given from a distance--and they would be destructive. According to Koivisto, such a conflict could touch upon Finland. However, Koivisto does not consider it likely that our country would become the theater of extensive land warfare.

Koivisto's view is particularly interesting now that the importance of strengthening the ground forces with the help of so-called protective troops

has been discussed within the army. In a pointed way, Koivisto's view makes the kind of thinking which has been used to justify a strong army questionable.

"Land Warfare to Be Discarded"

Koivisto's pattern of thinking, designed in a presidential manner, bears amazing resemblance to the views which Pertti Joenniemi, a peace researcher, introduced last year in an article in the magazine YDIN [Nucleus]. There are people who believe that they have seen even Joenniemi's influence in the focal points of Koivisto's speech.

Joenniemi started with the idea that the whole concept of land warfare can be discarded as obsolete. Just as Koivisto last week, also Joenniemi thinks that it is possible to become involved in a war "only as a result of uncontrolled development."

Joenniemi developed the idea further, postulating that a war would hardly stop after a little bit of fighting, on the threshold of a nuclear war. According to Joenniemi, in a case like that there would not be a "suitable" deterrent picture between peace and a total war, which Finland's defense policy presupposes.

Joenniemi's conclusion was that the fundamentals of our country's defense policy have actually eroded.

Army Will not Retreat

Joenniemi believed that he had seen acceptance of this new kind of thinking in the statements given by Jaakko Valtanen, commander of the Armed Forces. Last year, however, the leaders of the army were quick to officially reject such accusations, emphasizing that the traditional doctrine still prevails. It is understandable that the Army, at least publicly, holds to the official doctrine, since making the necessity of our military questionable would lead to shaking conclusions.

Joenniemi claimed, for example, that rejecting the theory of land warfare would force us to reconsider the need for military service, for example. According to Joenniemi, namely, the system of military service rests on the theory of the old land warfare, from the point of view of the defense policy. Now, however, the commander-in-chief of the Military, the President, has in his own way participated in the discussion on Finland's defense policy and land warfare operations. Therefore, the discussion has certainly not cooled off; on the contrary, its most heated phases are still to come.

"Clearly Different Emphasis"

However, experts who have participated in making our defense policy in parliamentary defense committees seem to disagree on how to relate to the President's statement. On one hand, there are differences in it compared with the earlier official doctrines, on the other hand, it can be seen to fit into the old thinking patterns.

Jorma Hentila, editor-in-chief, who has been a member of the latest two parliamentary defense committees, says that there is an obvious difference between Koivisto's speech and the official defense philosophy.

"We have strongly emphasized that now is the time to develop the ground forces. There has even been talk about the decade of the ground forces." "This is based on the idea that, with the help of strong ground forces, Finland can show its capability to prevent its territory from being utilized in the event of warfare."

Hentila points out that this official notion has been criticized for being obsolete. At the time of current weapons technology, the need to conquer land territory to support military operations has diminished.

"Now, I think, even Koivisto emphasized the issues quite differently from the way that the top leadership of the army does, for example," says Hentila. "I mean particularly Koivisto's view of the likelihood of the conquering of land territory and Finland's likelihood to become the theater of land warfare."

"No New Koivisto Doctrine"

On the other hand, Jan-Magnus Jansson, editor-in-chief, who has served as chairman of all three defense committees, believes that no new doctrine, theory of defense policy, was introduced in the President's speech. "I think the earlier positions are similar to those presented by Koivisto in his speech," says Jansson.

"Koivisto's statement does not totally exclude the role of the ground forces. Besides, nobody has even thought that there would be far-ranging [*in italics*] land warfare operations in Finland. The starting point has primarily been the defense of Lapland."

Also, Jansson does not think one can say that parliamentary defense committees would have put particular emphasis on just the ground forces.

However, Jansson wants to emphasize the significance of the ground forces, from the point of view of occupying land territory.

"The significance of the ground forces lies in the fact that if some nation wants to occupy another nation's territory, it has to happen through land warfare. Therefore, they cannot be discarded as obsolete," says Jansson, while pointing out that our neighboring countries have strong ground forces.

New Estimates Now Ahead?

The differences between the opinions of the experts indicate how surprising Koivisto's interference in the policy discussion on the tasks of the army was. So far it is quite presumptuous to make far-reaching conclusions about the consequences of Koivisto's speech. The most immediate consequence probably is that the discussion will be intensified. It will receive its own tone from the

very fact that doubts have arisen about the differences in viewpoints between the President and the leadership of the military,

At the moment it seems as if the Armed Forces are prepared to consider the tasks of the army in a deeper manner than usually. In fact, Jaakko Valtanen, the commander of the Armed Forces, even considered this necessary when criticizing the sparsity of the funds allocated for the army in the country's budget for next year.

Also in this regard, Koivisto's speech came at an opportune time. Namely, it is to be supposed that cutting off hundreds of millions of markkas from the army's request was not necessarily a question of national economy.

One starting point for the discussion could very well be Koivisto's statement that he made in his speech: "The opinions about the factors affecting security change slowly and military doctrines often lag behind in the development."

12956

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GEN VALTANEN CONFIDENT OF ARMY'S DEFENSE CAPABILITY

Helsinki HELSINGIN SANOMAT in Finnish 6 Nov 86 p 9

[Text] Only the ground forces can provide Finland with credible defense capability, stated the commander of the Armed Forces, General Jaakko Valtanen, in the interview with YLEISRADIO [Finnish Broadcasting Company] on Wednesday. Valtanen emphasized that we have no prerequisites for creating an army which would be based on the air force or the navy. The value of the ground forces is based on their strong capability to control the borders. They can also be used to prevent the use of the territory of Finland as an attack route or for other military purposes--such options which might tempt foreign nations include the use of the air space, the roads of Lapland or Ahvenanmaa. Valtanen believes in the ground forces as efficient defense troops.

Among others, the group to which Valtanen wanted to respond was the researchers of the Institute of Studies of Peace and Conflicts, who believe that Finland is preparing for obsolete warfare.

Valtanen considers the idea that one can no longer rely on manpower to be quite a "fanatic" idea. "In all countries people still believe in manpower." Comparison of the Finnish army with the military of the superpowers does not provide a proper perspective--he believes that the armed forces must be viewed in the light of the tasks which they have. The comparison has meant creating completely different types of armament, weapons and methods from that which the superpowers have at their disposal.

According to Valtanen, Finland's armed forces have an original strategy, suitable for the conditions of Finland, which has been praised by the military-political evaluations of the foreign nations. Even if half of the praise were attributed to politeness, a lot of genuine trust still remains, believes Valtanen.

According to Valtanen, the nuclear weapons have lost their military significance. They are means of politics and they maintain the balance of terror. Peace or its opposite, nuclear war, is an obsolete pair of options, says General Valtanen. The risks of initiating a nuclear war are too great considering the results which can be obtained, he estimated. Similar evaluations have been made all over the world, not only in Finland. According to Valtanen, the initiation of a nuclear war is possible, but "possible is not

the same thing as likely". In its defense, Finland can only take into consideration the probable alternatives--and believe that they can be addressed.

Valtanen believes that all threats to Finland's territory are serious and far-ranging "in our scale." The deterrent value of Finland's military, compared with the superpowers, is hardly real, but then, Finland does not have the need to deter. "The question is what is rational and sensible."

12956

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CONSTRUCTION REPORTED AT U.S. GOURNES BASE

Athens RIZOSPASTIS in Greek 10 Jan 87 p 3

/Text/ The United States is planning to modernize its bases in Greece at the same time that it has increased its pressures for prolonging its presence and while the government monotonously repeats that its position on the bases issue "is well known."

It is noteworthy that Washington is also planning to make expenditures for military projects in 1989 —i.e., after the expiration of the existing agreement on 31 December 1988. According to the American Associated Press news agency, the Reagan government is planning to spend 5 million dollars for various projects on its military bases in Greece. Quoting data from the new American budget, the news agency specifically mentions that the following projects are involved:

- 2.9 million dollars will be spent in 1989 "for military camps, communications and operational installations."
- 2.1 million dollars will be spent "for air base installations in Araxos and Irakeleion in Crete."

In connection with the Gournes base in Irakeleion, our correspondent there transmits that large-scale projects are beginning in the first months of 1987. These projects have to do with basic repair and maintenance work on most of the existing installations as well as the construction of new ones whose cost is expected to go way beyond a billion drachmas. Studies have already been completed and well-known firms have undertaken construction work which is scheduled to be at once.

Included in these projects are the following: basic renovation of officers' and enlisted men's housing. The construction of yet another youth center and another children's center. Work on the base's port (located in the northern sector) where, among other things, a dock will be built. Projects are also expected to include repair and maintenance work on machinery, electric power installations, etc.

It should be noted that work on projects in the Gournes base have never stopped. Work on such a scale 2 years prior to the expiration of the bases agreement is indicative of the direction in which intensive American-Greek dialogue is heading.

Moreover, with regard to the American base in Araxos, there are, as is well known, American plans for upgrading it operationally-speaking through the construction of modern installations for the storage of nuclear weapons.

GOVERNMENT STRATEGIES REGARDING TURKEY EEC ENTRY DISCUSSED

Athens EMBISTEVTIKO GRAMMA in Greek 8 Jan 87 p 10

/Text/ Turkey's effort to join (long-term basis) the EEC confronts the Greek Government with making a strategic type choice. In other words, if it is better for the country to confront in the future a Turkey in or out of the community. On a long-term basis, the only solution to Greek-Turkish problems is understanding and the cultivation of relations of friendship and cooperation between the two countries. Something like this has great possibilities in happening and is based on a "European" Turkey. On the other hand, Turkey's isolation from Europe and the strengthening of the Islamic and nationalist elements constitutes, on a long-term basis, a major danger not only for national integrity but for development prospects.

Turkey's course for entry into the EEC must inevitably be accompanied by the democratization of its society and the strengthening of western-acquired institutions. It would gradually create so many economic and social established interests that any attempt on the territorial integrity of another member state would be inconceivable.

Given the present situation in Cyprus and Turkey's stance on the Aegean, it is very "easy" for any Greek government to follow "a nationally proud" position hindering the course for Turkey's entry. It thus serves, without any trade-offs, both major financiers of the community, namely the British and Germans, who do not want a premature entry for financial reasons (for both Germans and immigrants). Greece's refusal helps both countries since they can manage to maintain their good relations with Turkey and not upset their big strategic and economic interests, indirectly preventing the opening of substantive negotiations.

On the other hand, it would be much more difficult for a Greek government to implement an alternative policy with regard to the issue of Turkey's entry into the EEC prior to solving the Cyprus and Aegean problems.

And yet such a position would strengthen the stance of those in Turkey who support reconciliation and real dialogue with Greece. At the same time Greece's negotiating position would be strengthened inside the community (we will not do for nothing the "dirty" work of our rich partners) and Greece's good will in international public opinion will become evident.

An indispensable prerequisite for the proper strategic choice of an alternative position with regard to Turkey's entry into the EEC is the drafting of a foreign policy with the sole criterion being the long-term interests of the country (and not the domestic political situation).

We can then really exploit our position in the community, negotiating both with Turkey to facilitate its entry and with our partners to delay its taking place.

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CSO: 3521/59

COMMENTS ON NAVY'S STANCE REGARDING NEW LEADERSHIP

Athens EMBISTEVTIKO GRAMMA in Greek 8 Jan 87 p 5

/Text/ According to well-informed sources, a bad beginning was made at the very first meeting of the new Supreme Naval Council (ANS) with its two new chiefs, namely Mr Leonidas Vasilikopoulos, navy chief, and Mr ~~Christos~~ Lymberis, fleet commander.

Mr Lymberis' insistence to retire navy officers, who not only had brilliant navy careers but who also had participated in the navy movement against the junta, caused painful consternation in the ANS during its first meeting after Christmas.

A rear admiral present at the meeting told him, "What are your intentions in having a green resistance fighter quarrel with a blue resistance fighter? But you will destroy the navy by acting this way." During the same meeting, Rear Adm G. Sideris expressed his astonishment because he did not get the position of GEETHA /National Defense General Staff/ deputy chief. The justification given him by the navy chief, namely that he could not assume that position since he had not served the required time to get the rank of vice admiral --this required time was to be completed on 21 January-- was considered clumsy at most because there is a precedent in Vice Adm V. Marangoudakis who assumed the position as a rear admiral.

However, Mr Lymberis' and Mr Vasilikopoulos' intentions to retire the most capable G. Sideris is known to the navy, namely to promote to the rank of vice admiral Mr K. Katagas, an equally capable officer and a relative of Mr Lymberis. Indeed, it is said that to facilitate their intentions Mr Sideris has already submitted his resignation.

With regard to their new chief, Mr L. Vasilikopoulos, navy officers say that he is a "temporary one" and thus they do not comment on either his lack of substantial credentials nor his average to bad professional career nor his leftist political leanings. As for Mr Lymberis, --about whom Mr Papandreou has expressed his intention to make the next navy chief as soon as possible-- navy officers say that if he were to overcome partisan passions, his passion for meritocracy --as expressed in his entire navy career-- and because his competence is recognized, then the navy could see better days following the complete liquidation of the 5-year Papandreou regime.

Nevertheless, the first indications given by Mr Lymberis during the very first ANS meeting lead to doubts as to his real intentions.

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BRIEFS

PHANTOM AIRCRAFT LOSS--The fate of the pilots of the F-4 (Phantom) fighter aircraft that was lost at 7:15 pm yesterday in the waters off Psathoura, north of the Sporades, continues to be unknown. The Ministry of National Defense announced that the fate of the two pilots, Capt Vas. Khristidis and First Lt E. Atmatzakis, who were on a night training flight in the northern Aegean, was not known. When radar lost contact with the fighter two C-130 aircraft took off to conduct an all-night search. The search continued at dawn with navy helicopters and vessels headed by the frigate "Elli" but unfortunately without results. The search continues. /Text/ /Athens I KATHIMERINI in Greek 24 Jan 87 p 1/ 5671

F-104 AIRCRAFT LOSS--The air force has suffered a second loss in the space of a few days, this time, however, fortunately without any victims. At noon yesterday a F-104 G air force aircraft fell in the Andravida area while on a training flight. However, the pilot, Capt Theod. Bekos, managed to parachute from his aircraft and was saved. The Ministry of National Defense announced that a committee made up of experts and headed by a high-ranking air force officer is looking into the cause of the accident. /Text/ /Athens I KATHIMERINI in Greek 27 Jan 87 p 18/ 5671

EAV LOAN--The EAV /Greek Aircraft Industry/ has assumed a loan of more than 6 billion drachmas, guaranteed by the state, for the purpose of paying off its debts that are falling due. Specifically, through a decision of Minister of Finance D. Tsovalas, a state guarantee for the securing of a loan by EAV is granted for the following purposes: 4,611,008,400 drachmas from the Post Office Savings Bank for the purpose of paying off interest as of 31 December 1986; and 2 billion drachmas from the Credit Bank for the purpose of paying off equivalent debts coming due and owed to the bank. /Text/ /Athens I VRADYNI in Greek 28 Jan 87 p 18/ 5671

CSO: 3521/69

GEIP MEETING PRODUCES PROTOCOL AGREEMENTS ON COOPERATION

Madrid EL PAIS in Spanish 17 Jan 87 p 6

[Article by Andres Ortega]

[Text] Madrid—The officials in charge of weaponry for the member states of the European Independent Program Group (GEIP) signed three protocol agreements in Madrid yesterday on computer language (ADA), an aerial identification system (NIS), and a multifunctional identification system (MIDS). This was announced by Eduardo Serra at the conclusion of the meeting of the secretaries of defense of the GEIP countries. These projects will be carried out in conjunction with the United States.

Serra announced that the GEIP, which includes all the European members of NATO (except Iceland), and which hopes to establish a European arms industry base, will hold a meeting of defense ministers in Spain next June. The last ministerial meeting was held in Madrid last April. Spain has been the chair of the GEIP since January 1986.

At yesterday's gathering, held at the General Air Headquarters, the report drafted by the /group of ten experts/ [passage enclosed in slantlines printed in boldface] was presented. This report, which covers studies of the European defense industry, proposes long-term objectives and explains the obstacles that lie in the way of achieving true arms cooperation in Western Europe. The details of this report have not been revealed. The former president of Iberia, Carlos Espinosa de los Monetros, participated on behalf of Spain in the drafting of the report.

The GEIP programs that are farthest along (although no practical results will be seen until early next decade) are the development of the third generation Trigat antitank missile, in which Spain is particularly interested, and the short-range air-to-air missile (Asraam), which is completed with the U.S. program for a medium-range missile.

Transport Jet

Cooperation in the GEIP is taking place in 26 areas of technology for the purpose of establishing cooperation projects among the interested nations. Since last April's initiative on European aeronautical cooperation, a data

base of current inventories has been developed. Eduardo Serra stated at a press conference that in this sector the most progress has been made on the possibility of a transport jet, "but no decision has been made as to the type" of aircraft. A special working group is examining technical cooperation in the fields of intelligence, command, control, and communications.

Greece submitted a document proposing ways for the members of the Atlantic Alliance with less-developed defense industries to reinforce their technological and industrial defense capabilities by participating in cooperation projects.

In Serra's view, "activities in the GEIP are in an upswing." The secretary of defense asserted that "a constant concern in the GEIP is the trans-Atlantic dialogue," and the way to improve it, he said, is to strengthen the European pillar of the Atlantic Alliance.

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CSO: 3548/41

BRIEFS

MORE OIL, GAS EXPLORATION--Wassenaar, January 21--Economics Minister Rudolf de Korte said last night he planned to give an extra impulse to Dutch offshore oil and gas exploration in 1988 by opening closed areas in the Dutch sector of the North Sea. De Korte said his ministry was talking to the defence ministry about opening the area in blocks L, M and N which is currently closed because of training activities by the Dutch air force. The area in question lies just north of the Frisian islands close to the Netherlands' northern coast. De Korte noted that the seventh round of applications for exploration licences will be held in 1988. He said he expected the allocation of sixth-round exploration licences to be completed within the next few months. The minister said he approved of the way in which lower oil and gas prices had forced companies to reduce their costs. Lower costs would enable companies to exploit smaller oil and gas fields economically when energy prices recover, he said. The minister was addressing a meeting of the Netherlands Oil and Gas Exploration and Production Association (NOGEPA) here. [Text] [The Hague ANP NEWS BULLETIN in English 21 Jan 87 pp 3-4] /9317

CSO: 3600/3

LARGE SAVINGS IN ENERGY PURCHASES FOR 1986

Madrid EL PAIS in Spanish 23 Jan 87 p 45

[Text] Madrid--Spanish imports of petroleum and other fuels and oils cost Spain 877.758 billion pesetas less last year than in 1985. But the total trade deficit rose by 121.445 billion pesetas to a total of 1.09 trillion pesetas. This can be seen in the figures published yesterday by the General Customs Office.

The 1986 commercial year closed with a 3.6-percent decline in purchases abroad (4,890,766,000,000 pesetas), and a 7.4-percent drop in sales (3,800,225,000,000 pesetas). The difference between the two rates explains the 12.53-percent jump in the deficit, which had been below 1 trillion pesetas (969,096,000,000) in 1986.

While the oil import bill shrank by 53 percent and the bill for other fuels and mineral oils fell by 30 percent, with respective savings of 777.789 and 99.969 billion pesetas, non-energy imports rose by 21.3 percent. This rise was influenced by the beginning of Spain's tariff disarmament with respect to the other countries of the European Community (EC).

The savings on the energy bill (of which at least 250 billion pesetas went to the Treasury, just over 100 billion to consumers through the drop in prices, and the remainder to industrial and commercial profit margins and changes in the values of inventories) is due primarily to the decline in the exchange rate of the dollar and to plummeting crude oil prices. During the fiscal year, the U.S. currency fell from an average rate of 155.8 pesetas to 135.6 pesetas in December 1986.

In dollar terms, total purchases of goods abroad rose by 17 percent in 1986; sales were up 12 percent, and the trade deficit increased by 38.4 percent.

European Competition

Last December, when the value of energy imports fell by 66 percent compared to that of the same month in 1985, major declines were also recorded in total Spanish purchases (16.6 percent in pesetas) and sales (17.9 percent). Non-energy imports, which for a year have been influenced also by the recovery of investment and private consumption, rose a scant 6 percent in December.

The strength of purchases from the Federal Republic of Germany has been maintained, however; in early 1986 the FRG displaced the United States as Spain's principal supplier. The deficit with the FRG is now near 300 billion pesetas (736.091 billion in purchases and 444.686 billion in sales). The deficits with Italy and the United Kingdom are about 50 billion pesetas each.

Despite the greater competition from the other countries of the EC, Spain maintained its traditional surpluses in 1986, although at lower levels than in the previous year. Its surplus with France resulted from purchases of 571.427 billion pesetas and sales of 682.748 billion; with the Netherlands, 145.272 billion in purchases and 216.067 billion in sales; with Greece, 11.928 billion in purchases and 26.137 billion in sales; and with Portugal, 63.094 billion in purchases and 130.954 billion in sales.

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